FINANCIAL TIMES

35p
1984
Saturday June 8 1985
No. 29,644

WORLD NEWS

Star Wars fails to win Nato backing

The U.S. yesterday failed to win the formal backing of its Nato allies for the Star Wars defence programme.

Nato Foreign Ministers meeting in Lisbon expressed support for U.S. "efforts" at the Geneva arms talks but did not specifically endorse the Strategic Defence Initiative.

Foreign Secretary Sir Geoffrey Howe played down the omission, but the Soviet Union is likely to see it as a sign that its tactics have succeeded. Backing for President Reagan's plans was effectively blocked by France, Norway, Denmark and Greece. Back Page

£6m robbery verdicts

Four men were found guilty of playing a part in Britain's biggest cash robbery, the £6m raid on Security Express offices in London at Easter, 1983. Two people were acquitted.

Protest at car incident

Britain protested to the Soviet Union over the ramming of a military car on routine duties in East Germany.

Heathrow deal agreed

The British Airports Authority said British Airways, KLM, NLM and Air Malta would share Heathrow Airport's new Terminal 4. Feature, Page 9

Air services plea

The Government is pressing Scandinavian countries "with impatience" for freer air services with the UK, Transport Under Secretary Michael Spicer said. Page 3

UN soldiers held

Twenty-four Finnish soldiers of the UN Lebanon peacekeeping force were taken hostage by members of the Israel-backed South Lebanon Army.

Guerrilla aid rapped

The U.S. Senate's approval of $38m (£30m) in aid for rightist guerrillas in Nicaragua was a vote in favour of crimes against Nicaraguans, President Daniel Ortega said. Page 2

25 die in border clash

A border dispute between the northeast Indian states of Assam and Nagaland left 23 police dead and 50 hurt.

Howe to visit Brazil

Foreign Secretary Sir Geoffrey Howe is to visit Brazil next month, a gesture of approval for the country's transition to civilian rule. Page 2

Man found dead in well

Romanus Girenas was found dead at the bottom of a collapsed 50ft Isle of Wight well, after a four-day rescue dig.

Housing benefit cuts

Most public spending savings from the social security reviews will come from housing benefit cuts, Social Services Secretary Norman Fowler said. Page 4

Independence move

The Dutch parliament's lower house passed a law which will lead to independence for Aruba, a Caribbean island.

Turkey expels reporter

Turkey expelled a Bulgarian journalist, after Sofia refused a visa for a Turkish journalist. Ankara claims Turks in Bulgaria are being harassed.

Mengele records sent

West Germany sent dental records of Nazi war criminal Josef Mengele to Brazil, where a body suspected of being his has been exhumed.

Briefly . . .

Pope will visit Australia next year.

South Africa lifted a ban on The Female Eunuch, 1970 book on feminism.

Oil 1.5bn years old, believed to be the world's oldest, was found in north Australia.

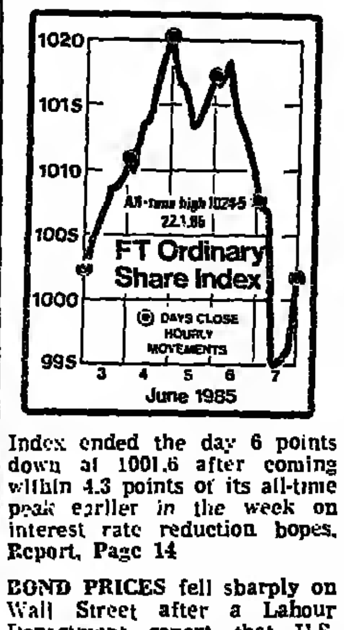
BUSINESS SUMMARY

Argentina hopes for IMF deal

ARGENTINA began negotiations with the U.S. and other countries on a $400m to $500m (£315m to £394m) bridging loan amid hopes of an agreement with the IMF on an economic programme.

The agreement is badly needed to prevent U.S. government agencies supervising the banking system from downgrading Argentina's debt when they meet o nMonday. Back Page

EQUITIES ended a dull week with a bout of heavy selling after a lower profits forecast for Standard Telephone and Cables. The FT Ordinary Share



Index ended the day 6 points down at 1001.6 after coming within 4.3 points of its all-time peak earlier in the week on interest rate reduction hopes. Report, Page 14

BOND PRICES fell sharply on Wall Street after a Labour Department report that U.S. unemployment was unchanged in May at 7.3 per cent. Page 2

OPEC tried to reassure a fragile oil market in the wake of tumbling spot prices and fears of an official oil price cut by Abu Dhabi. Back Page

LLOYD'S underwriting members claimed the background to £130m of losses was entirely consistent with fraud and false accounting dating back to the early 1970s. Page 4

AUTHORITIES of Lloyd's are understood to have prepared contingency plans if 243 underwriting members whose affairs are managed by Spicer & White continue to dispute £20m of insurance losses. Page 4

MINISTERS were accused by Labour trade spokesman Mr Bryan Gould of dithering over an aid package for Sri Lanka needed to clinch the contract for British companies to build a hydroelectric scheme. Page 4

SCOTTISH and Newcastle brewery group's request to Peugeot for a smaller engine in its fleet of 305s has led to the 1.7 litre model virtually taking over from the 1.9 litre version in the UK. Page 5

LEYLAND'S new Roadrunner truck helped the BL subsidiary to become heavy truck market leader for the third successive month in May. Page 5

PORT OF LONDON Authority returned a profit of £640,000 compared with a loss of £1.46m on turnover of £72.5m against £74.3m last year despite two dock strikes. Page 4

ENGLISH CHINA Clays, the clay and quarrying group, is raising £86.3m with a one-for-four rights issue to help fund future acquisition plans. Back Page, Lex and Page 10

BUNZL, the paper group, aimed to step up pressure on Brammer shareholders with an increased and final surprise bid of £133m for the bearings distributors. Back Page and Lex

IRI, the Italian state industrial holding company, received a fifth offer for SME, its foods subsidiary. It comes from the League of Co-operatives. Page 11

BENEFICIAL CORP, the U.S. consumer finance group, sold its Western Auto Supply subsidiary for $300m (£236.59m) to Wesray Capital, the private investment firm. Page 11

New Establishment figure helps to halt Powell Bill

Mr Dennis Skinner, Labour MP for Bolsover, emerged in the surprising role of an Establishment hero to the Commons yesterday, when the attempt to breathe new life into Mr Enoch Powell's Bill to ban laboratory experiments on human embryos failed, writes Ivor Owen.

It was the "Beast of Bolsover" who took the lead in frustrating a procedural stratagem designed to set aside the normal rules governing private members' legislation and provide for an open-ended debate on the Bill — if necessary extended over today and tomorrow — to enable it to complete its passage to the Statute Book.

Time was the prize sought by both supporters and opponents of the Bill. The first crucial allocation in yesterday's proceedings was limited to less than five hours.

Within this time limit, Mr Powell and his supporters needed to ensure that a procedural motion, introduced by Mr Andrew Bowden (Con, Brighton Kemptown) and seeking authority to depart from the normal rules, was debated long enough to justify a vote being taken upon it.

Mr Skinner, enthusing over what he predicted would be "one of those unusual days" in the life of the House of Commons, initiated the brilliant exercise in parliamentary gamesmanship which ensured that time ran out for Mr Powell and his Bill.

Keeping the rough side of his tongue carefully under control, Mr Skinner vigorously argued the Establishment case. Backed by such prominent figures as Mr Michael Foot and Mr Francis Pym, both former leaders of the House, he spoke against any departure from customary procedure.

Such was Mr Skinner's benign mood that he even responded to an appeal from his own front bench by seeking to withdraw a motion which would have forced the government to announce a date for the impending by-election in Brecon and Radnor.

The care he took within the rules of order belied his his record as one who had been expelled from the Chamber on numerous occasions. At one stage the Speaker, Mr Bernord Weatherill, was moved to comment: "I welcome this new-found Establishment figure."

With the Bolsover MP's aid the Establishment's view prevailed and in accordance with established practice the writ for the Brecon and Radnor by-election will be moved by Mr John Wakeham, the Government Chief Whip, next week. Voting is expected to take place on July 4.

The prolonged discussion on the timing of the by-election was followed by the formal presentation of 20 petitions on such diverse subjects as the need for a healthier national diet and the quality of beer in Blackburn. These matters occupied another 75 minutes.

With only 15 minutes remaining, the debate on Mr Bowden's motion was automatically adjourned without a vote being taken.

Mr Powell did not name a date for the resumption of discussion on his Bill and Mr Willie Hamilton (Lab, Central Fife) gave the final verdict by declaring: "It's finished."

$257m scheme to save Lear Fan

BY PAUL TAYLOR IN NEW YORK

MRS MOYA LEAR, widow of the designer of the Lear Fan executive aircraft, and a group of private and corporate investors in the U.S. yesterday launched a rescue attempt, backed by $257m (£202m) in new capital, for the troubled aircraft project. They vowed to restart development and production in Northern Ireland.

The ambitious project to build a highly efficient carbon fibre executive turbo-prop plane powered by a single rear pusher-propeller, ran out of funds two weeks ago, having received £56.28m of British Government backing. There had been hopes of creating 2,800 jobs in Northern Ireland, but all but 30 of the Belfast workers had been paid off before last month's closure.

If succesful, therescue would represent another twist in the turbulent history of the seven-year-old Lear Fan project. The scheme, conceived by the late inventor and aviation pioneer, William Powell Lear, has already consumed about $200m in venture capital, including the UK Government money.

The group, which formed a partnership called Lear Aerospace, said it planned to begin negotiations with the Government immediately to restart the stalled project. It hoped to begin rehiring Belfast workers, perhaps as early as next week.

Equity in the new company, whose headquarters are in Incline Village, Nevada, near the project's Reno research and development facilities which have also been closed, will be held by a group of general and limited partners who have put up the capital.

Among the general partners are Mrs Janet Ferretti, a commercial property developer who was named chairman and president of Lear Aerospace, Mrs Lear, company chairman and senior vice-president, and Mr David Lear, one of her sons, who will be executive vice-president.

Mr John Aycoth, newly appointed director of corporate communications and a limited partner in the group, said most of the new capital had been put up by corporate and individual investors, mostly with property or electronics interests.

Mrs Lear and Mr David Lear had not put up any additional funds but had signed employment contracts with the new company.

Lear Aerospace plans to "engage in aeronautics, electronics, real estate acquisitions and development, high technology, computers, communications systems and pursue negotiations for the right to develop the Lear Fan 2100 turbo-fan aircraft."

Mr Aycoth said this wide range of business interests was intended to provide cash flow while the Lear Fan completed its complex airworthiness certification process and went into production. Previous efforts to develop the aircraft had relied solely on venture capital," "burning up funds without any income," he said.

The proposals do not envisage

Continued on Back Page

Hong Kong bank is rescued amid claims funds were misused

BY DAVID DODWELL IN HONG KONG

THE HONG KONG Government yesterday stepped in to rescue Overseas Trust Bank (OTB), one of the territory's largest locally incorporated banks which was declared insolvent on Thursday amid allegations of a criminal misuse of funds.

Sir John Bremridge, Hong Kong's Financial Secretary, warned that the move was likely to cost local taxpayers at least HK$2bn (£213m).

News of the rescue came at the end of a nervous day on the territory's stock markets, where the Hang Seng index slid 86.95 points to 1,542.55. Most banks took the precaution of delivering extra cash to their branches, but no significant run on deposits was reported.

The rescue of OTB has been modelled on that mounted 20 months ago, when the smaller Hang Lung Bank collapsed. The Government will acquire all OTB shares and run its business. It will guarantee all debts, with obligations charged against Hong Kong's Exchange Fund reserve.

Sir John insisted that the bank's failure was due not to inadequate supervision but to "what appears to be a series of totally disgraceful criminal acts." One OTB director, Mr Patrick Chang Chen Tsong, was detained at Hong Kong's Kaitak airport late on Thursday night. He was carrying cash amounting to US$ 1.5m as well as diamonds, jewellery and other securities.

He and two other directors have been charged under various sections of the Banking Ordinance. All are due to appear in court today.

NO 14—8/8}

A new board is being appointed, under the chairmanship of Mr Douglas Blye, Hong Kong's Secretary for Monetary Affairs. Staff from the Hongkong and Shanghai Banking Corporation have been seconded to manage OTB, whose doors are due to re-open on Monday.

Sir John said he viewed the bail out "with distaste," but saw it as essential in maintaining international confidence in Hong Kong as a banking centre. Efforts to persuade private banks to mount a rescue failed.

"Nothing would have given me more pleasure than to have this wretched bank put into insolvency," Sir John added.

The size of OTB's liabilities remains unclear. It is nevertheless understood that a major source of its problems is loans outstanding to Mr Simon Yip Chun Ling, formerly the Dominican Republic's honorary consul in Hong Kong.

Mr Yip was also chairman of a small local finance company called Dominican Finance until its business was suspended in January. His present whereabouts are unknown. Loans outstanding to Mr Yip from OTB amount to about HK$900m. Dominican Finance was put into liquidation two weeks ago.

OTB has about 100,000 depositors and deposits totalling about HK$7.4bn. When share dealings were suspended on Thursday, it had a market capitalisation of just over HK$1bn. The bank is controlled by the Chang family, who are Malaysian Chinese based in Hong Kong. It ranks fifth among locally incorporated banks, behind the Hongkong Bank, Hang Seng Bank, Wing Lung Bank, and the Bank of East Asia.

The Hong Kong government was at pains to point out that while depositors have been protected, OTB shareholders have not.

World Stock Markets, Page 12

British Rail seeks £200,000 from unions to drop court case

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL demanded £200,000 yesterday from its two manual unions in compensation for industrial action ordered earlier this year in support of the striking miners as the price for not proceeding with its court action over the stoppage.

Leaders of the National Union of Railwaymen and the train drivers' union Aslef are unlikely to accede to BR's claim, and in effect settle out of court. As a result, full legal action for damages looks likely.

This would be the first time that a nationalised industry had pushed the available legal remedies so far, though some private-sector employers have done so, principally against the National Graphical Association print union.

The feeling in the rail industry had been that BR was likely to withdraw from taking such a step, as London Regional Transport did last month over an abortive one-day Tube strike in London. The length of time BR has taken to move on the issue tended to support this idea.

But yesterday BR wrote to the two unions giving them seven days to admit liability for losses to the railway services arising from a 24-hour strike on January 17, which caused some disruption, though it was not extensive, to services in the Midlands and Eastern Region.

The letter, from Mr Michael Baker, BR's chief solicitor, puts the cost at just over £200,000, stemming mainly from revenue losses in passenger and freight traffic, and particularly on newspaper transport and Post Office mail.

BR claims that under the pre-strike ballot provisions of the 1984 Trade Union Act the two unions should have formally balloted their members on the proposed action, over alleged harrassment of railway workers who were at that time carrying out standing instructions from the unions not to move coal trains during the miners' strike.

Instead, the unions instructed their members to take action, especially at depots at Derby, Toton near Nottingham, Sheffield, Worksop and Doncaster.

BR says that the unions having failed to ballot their members the strike was unlawful, and the unions are therefore liable for damages under the 1982 Employment Act, £350,000 in the case of the NUR and £50,000 for the smaller Aslef.

The board believes its figure of £200,000 is probably an underestimate, since it cannot gauge exactly what level of passenger traffic was deterred from using the railways by notification of the strike. It is pressing for interest on the money in addition.

It also still plans further action against the unions over a one-day strike in Scotland, again called without a ballot, over engineering plant closures.

Both unions have referred

Continued on Back Page

Marriott ends talks on Howard Johnson

BY MARTIN DICKSON IN LONDON AND WILLIAM HALL IN NEW YORK

IMPERIAL GROUP, the tobacco and brewing conglomerate, appears close to a decision on whether to sell Howard Johnson, its troubled U.S. hotel and restaurant chain.

However the number of possible buyers appeared to narrow last night when Marriott, the large U.S. hotels group, said it had "discontinued" talks with Imperial.

Marriott was believed to have been part of a consortium which held lengthy negotiations with Imperial. The group included Pillsbury, a major U.S. food group, and Prime Hotels, a smaller chain.

However, another potential offer, worth around $400m, was last night still thought to be on the table from a Canadian property company.

Washington-based Marriott yesterday confirmed that it had had discussions with Imperial but stressed that it was only one of several companies to have expressed interest in Howard Johnson.

Imperial declined to comment beyond making clear that it has yet to decide whether or not to dispose of Howard Johnson.

Howard Johnson has performed poorly ever since Imperial bought it in 1980 and has long cast a shadow over the group's share price. News of a possible sale helped lift Imperial's shares 7p on the day to close at 196p.

It is thought that had the Marriott consortium bought the chain, Prime Hotels would have taken on its motor-lodges for about $200m, with Marriott and Pillsbury splitting the hotels and restaurants between them. The Canadian bidder, for its part, would lease out all the operating assets.

Goldman Sachs, the New York investment bank retained by Imperial, has apparently been hoping to obtain $450m for the Howard Johnson chain.

Howard Johnson operates 460 hotels and lodges and 850 restaurants. In its last financial year, ending October 1984, its operating profits fell by 49 per cent to $14.9m on unchanged turnover of $757m.

Marriott is one of the most successful U.S. lodging and food service groups. Its earnings have nearly doubled over the past four years to $139.8m and its sales have risen from $1.7bn to $3.5bn over the same period.

Prime Motor Inns is a small but fast growing motel chain based in New Jersey which has been on the takeover trail. Last year, it earned $17.3m on sales of $96m.

Lex, Back Page

WEEKEND FT

SPAIN'S NEW FRONTIER

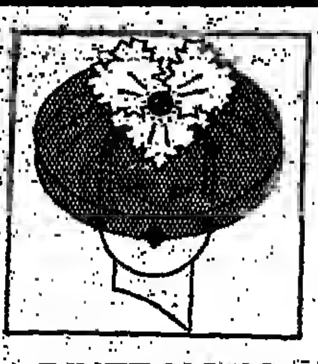
Entry to the EEC ends 400 years of isolation.
Page I

FINANCE AND THE FAMILY

How the Green Paper will affect your take-home pay and pension.
Page IV

STONEHENGE

After the riot, what next for this famous landmark?
Page XII



DIVERSIONS

For playing the Femme Fatale, or even the Mother of the Bride—hats are back.
Page XIII

MARKETS

DOLLAR
New York lunchtime:
DM 3.0515
FFr 9.3375
SwFr 2.5960
Y249.70
London:
DM 3.08 (3.0560)
FFr 9.39 (9.3225)
SwFr 2.5075 (2.5715)
Y249.50 (248.55)
Dollar index 145.6 (144.9)
Tokyo close Y248.60

U.S. LUNCHTIME RATES
Fed Funds 7 7/16%
3-month Treasury Bills: 7.13%
Long Bond: 107 7/32
yield: 10.52

GOLD
New York: Comex June latest $315.0
London: $314.5 ($315.25)

STERLING
New York lunchtime $1.26925
London: $1.2680 (1.2715)
DM 3.91 (3.8825)
FFr 11.895 (11.84)
SwFr 3.2875 (3.2650)
Y 316.50 (315.50)
Sterling index 79.3 (79.2)

LONDON MONEY
3-month interbank:
Closing rate 12 1/4% (12 5/16)
3-month eligible bills:
buying rate 12% (12)

STOCK INDICES
FT Ord 1,001.6 (−6.0)
FT-A All Share 634.66 (−0.8%)
FT-SE 100 1,310.6 (−11.4)
FT-A long gilt yield index:
High coupon 10.63 (10.61)
New York lunchtime:
DJ Ind Av 1,321.24 (−6.04)
Tokyo:
Nikkei Dow 12,716.59 (+0.48)

Chief price changes yesterday. Back Page

CONTINENTAL SELLING PRICES. Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.30; Italy L1 300; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 80; Spain Pta 110; Sweden Kr 6.50; Switzerland Fr 2.20; Ireland 55p; Malta 30c.

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086.

Panic, anger and dismay build in Tehran with each nightly air raid

Baghdad's new tactics are having an effect. Kathy Evans reports

EARLIER THIS week, rallies were held in downtown Tehran to commemorate the uprising in Qom by Ayatollah Khomeini against the Shah in 1963 which resulted in the Ayatollah's 14-year exile in Iraq.

This momentous occasion provided a fine opportunity for the Iranian Government to demonstrate the support of its war with Iraq still has among the people. Thousands of "hezbollah" (Party of God) supporters of the regime marched through the streets, aggressively waving their clenched fists in a style which recalls the euphoric early days of the revolution.

However, just 15 minutes drive away in another part of the city called Gisha, a smaller and less-noisy group of people gathered around the site where an Iraqi bomb destroyed a four-storey apartment building a few days ago. The people stood silent and stony-faced, peering mournfully at the flattened ground where several families once had their homes.

Iraq has raided Tehran for 12 days now, sometimes twice or three times a day. It is an effective tactic for the Baghdad leadership, providing more instantaneous benefits than the usual attacks on economic and military targets. President Saddam Hussein of Iraq knows that it was the people of Tehran, not Qom, who made the revolution in 1979: it is here that he is seeking to provoke a reaction once again.

Baghdad has rammed the point home most forcefully in Tehran's middle-clas neighbourhoods which have suffered the brunt of the air raids, for it was this class which provided

the intellectual drive for the ousting of the Shah.

The capital 700 km from the war front and remote from the conflict, has never been the rich source of martyrs that the other towns and villages have. Now, the war is being brought to its doorstep.

The effects have not yet been cataclysmic for the revolution; but as the casualties mount, the panic becomes infectious. Whole neighbourhoods are emptying each night, particularly if they have been pinpointed as the target for that night by the early-evening Persian broadcasts from Bagdad radio. The population is left bleary-eyed and weary, and their appetite for the war seems to lessen each day.

It is clear that a great deal of anger is building up against the Government, not just against the nightly bombs from Iraq. A credibility gap has yawned between the Government's words and deeds. No one believes the daily casualty toll or the endless propaganda about how the heroic Islamic air force chased the intruders away.

Last week, the official media claimed that one Iraqi plane had actually been shot down; the next 24 hours provided no evidence of this, and finally the radio announced that despite being hit, the Iraqi plane managed to make it back to Iraq where it promptly crashed.

Casualties — or martyrs, as the Government refers to the civilian dead — are another sore point with the Tehran population. Officially, no raid on the capital has claimed more than 11 lives so far, but it is clear from a visit to any bomb site, that each bomb could have claimed that number, let alone a whole air raid. The true total runs into several hundred, and local diplomats work on a factor of 10 on the day's official count.

A greater part of the anger is reserved for the apparent defencelessness of the city, because the Iraqi plans appear to be able to criss-cross the city each night drooping bombs with impunity. The Iraqi planes ky at about 30,000 feet; Iranian anti-aircraft guns reach less than half that level and, indeed, cause more casualties in the street than in the air. This feeling of vulnerability has led many Iranians to ask: "Where are all the weapons the Americans left us? Why don't they hit Baghdad?"

As for retaliation, Iran has responded with two missiles on Baghdad and its usual shelling of Iraqi border cities, following 24 air raids on Tehran. Iranian leaders claime dthat they have numerous kinds of "push-button" missiles, but until this store of missiles is more regularly called upon, most Iranians will continue to believe that there are few or none left. After the first missile was fired, Mohsin Rafiqdoost, Revolutionary Guards Minister, went off to Libya, thought to be the source of Iran's missiles.

Ostensibly the talks were to concern the fighting in Lebanon, but most observers believe the Guards Minister went there to secure more missiles for use against Baghdad. However, in the face of Russian displeasure over the deal, the Libyans may not be so forthcoming this time.

Iran's defence predicament is a reflectioo of its friendlessness and economic situatiion. The earlier battle of the cities and this current round has made foreign experts and businessmen reluctant to enter Iran to live and do business there. Dr Ghaffouri Fard, Electricity Minister, admitted two days ago that the closure of foreign contracting companies in Iran may affect the output of water and electricity this summer.

The picture in industry is the same. More importantly, the bombing has caused a veritable nose-dive in confidence among the business community. The private sector was already battered by the continual ideological wrangles on whether Iran was a reformist or capitalist society: now, with the escalation in the war, many are concentrating on either getting out temporarily or surviving the nightly bombardment.

Barter deals worked out only two months ago are now all up in the air with the fall in oil prices: many foreign businessmen and oil buyers are reluctant even to come to Tehran, given its wartime conditions.

Behzad Nabavi says Iran hates this war of the cities and, rather than concentrating on military retaliation, would prefer to arrive at a political end to the attacks on civilian areas. But Iran has few friends to turn to for help in this regard, and its contempt for the United Nations is well known. The initiative there, following tha first battle of the cities, has become bogged down on Iran's insistence that Iraq be recognised as the original aggressor.

The one link it is desperately trying to retain is the new Gulf connection, which sprang to life following the visit of the Saudi Foreign Minister, Prince Saud al Feisal. That link was virtually annihilated with the car bomb aimed at the Kuwaiti Emir, Sheik Jaber al-Ahmed al-Sabah, nearly two weeks ago. Such an attack on the head of a Gulf ruling family, was the limit for many Gulf Arabs; most are firmly convinced of Iran's tacit support of the Islamic Jihad (Holy War) organisation.

The principal Iranian support comes through the Supreme Assembly for the Islamic Revolution in Iraq (Sairi). This organisation embraces a motley collection of groups such as the movement of the Mujahadin, the "Soldiers of Imam," and the Al Daawa party. The latter is thought by the Kuwaiti authorities to be behind not only the attack on the Emir, but also the explosions in December 1983 at the American and French embassies which led to the conviction of 17 Arabs, mostly Iraqis.


Iraqi rockets destroyed these homes in southern Tehran, killing nine people

Hojateslam Bakr Hakim, a spokesman for the Sairi, talks freely of fighting world imperialism wherever it is. "Our struggle is really with the forces of world imperialism and it is natural for us to consider all their interests as targets," he said.

Despite this seeming identification of aims with Islamic Jihad, Hakim denies all accusations of connections with the organisation, or any involvement by Al Daawa party to the events in Kuwait. He nevertheless wholeheartedly supports the aims of the attacks on embassies, and even tried to despatch lawyers to defend the 17 Arabs now convicted.

At present, the Iranian regime is ignoring the opinions of its intellectuals and liberals. It seems unlikely that the principal pro-peace candidate, Dr Mehdi Bazargan, leader of Iran Freedom Movement, will be allowed to participate in the presidential elections. Seven years ago, the Shah made the same mistake of ignoring the opinion of the middle class.

The signs of the regime's nervousness are already there. It plans a pro-war demonstration on June 14 to demonstrate its muscle. But in the meantime, the nightly exodus from Tehran is proof that not all Iranians feel enticed by the glory and honour that martyrdom supposedly confers.

While such language finds a home in Tehran, any bridge-building towards peace is going to be a slow process. Any hint of withdrawal of total commitment to the Baghdad regime by the Gulf states is also likely to provoke a renewed escalation from Iraq.

Sharp fall in Wall Street bond prices

By Stewart Fleming in Washington

BOND PRICES fell sharply on Wall Street yesterday in the wake of a Labour Department report that unemployment in the U.S. remained unchanged in May at 7.3 per cent. The employment figures were better than expected.

Some 345,000 new jobs were created outside the agricultural sector, though employment in the manufacturing sector continued to decline. Manufacturing employment is now 160,000 lower than in December, the Department said, indicating that the stagnation in U.S. industrial output evident over the past twelve months is continuing.

On Wall Street long term treasury interest rates have dropped from around 12 per cent to around 10½ per cent since mid-March. The combination of the stronger than expected employment data and an unexpectedly sharp $2.6bn rise in the narrow M1 measure of the money supply in the week ended May 27 reported on Thursday night by the Federal Reserve Board sent bond prices tumbling by almost a full point in the opening minutes of trading.

The past week has seen intense speculation about a further move by the Federal Reserve Board to ease its monetary policy in response to slower economic growth. But with the M1 measure of the money supply running well above its annual target and the employment report stronger than anticipated expectations of an imminent discount rate cut receded.

The Labour Department data show that on a seasonally adjusted basis, 8.4m workers (7.3 per cent of the civilian labour force) were without jobs last month. But in the manufacturing sector unemployment is running at 7.8 per cent. Some industries, including Steel, Textiles and Chemicals, are still employing fewer workers than during the 1981-82 recession

Ortega attacks U.S. vote for Contra aid

BY TIM COONE IN MANAGUA

THE U.S. Senate's approval of a US$38m (£30m) aid package for the rightist guerrillas in Nicaragua, is "a vote in favour of the crimes being committed against the Nicaraguan people." according to Nicaragua's president Sr Daniel Ortega. The Senate's attitude would undermine the Contadora group's peace effort and had "sabotaged" the next meeting planned for June 14 in Panama, Sr Ortega said on Thursday night.

He also criticised the Senate's proposals to permit the exchange of intelligence information between the rightest guerrillas and the U.S. Government. The aid package will be voted on by the House of Representatives next week.

Meanwhile, the southern frontier with Costa Rica remains tense. The Nicaraguan armed forces have announced that their military offensive is continuing against guerrilla strongholds along the San Juan River, which forms the border with Costa Rica, and that the main guerrilla base at La Penca is expected to fall "within the next few days."

In Costa Rica concern is mounting over a possible border clash, after two Costa Rican boarder guards were killed last Friday. The Nicaraguans have blamed the guerrillas for ambushing the Costa Rican patrol, and warned that the guerrillas might try to provoke another incident, which could lead to a U.S. intervention.

Right-wing sectors in Costa Rica are calling for a total break in relations with Nicaragua, the declaration of "a state of national defence" to mobilise thousands of reservists, and are organising demonstrations outside the Nicaraguan embassy in San Jose.

The Costa Rican Security Minister Sr Benjamin Piza has appealed for urgent U.S. military aid, especially heavy machine guns, and President Monge has warned that if the Organisation of American States (OAS) rejects his government's request for an OAS border observation commission he will be obliged to seek military assistance from "friendly countries."

The implication is that U.S. or Israeli troops could be sent to Costa Rica. Both these countries have close military ties with Costa Rica.

The Nicaraguan Deputy Foreign Minister Sr Victor Hugo Tinoco said on Thursday that Nicaragua was opposed to the OAS border commission proposal, as it undermined Contadora, "one of the most formidable obstacles" to a possible U.S. invasion of Nicaragua, and repeated Nicaragua's proposal to establish a demilitarised frontier zone under international supervision.

Reagan victory on C. America

BY OUR WASHINGTON CORRESPONDENT

PRESIDENT Ronald Reagan has won an important victory in the Senate for his policies in Central America, putting pressure on the House of Representatives to reverse its policy and approve funds for Nicaraguan Contra rebels in a vote expected next week.

On Thursday evening the Senate voted to release $38m (£30m) of non-military aid to the Contras by 55-42 after firmly rejecting amendments to a State Department Funding Bill which proposed banning the President from sending combat troops to Nicaragua or deploying U.S. troops in Nicaragua or deploying U.S. troops in Central America without advance congressional approval.

The Senate vote underlines the hardening of attitudes to the Sandinista Government in Nicaragua since Nicaraguan President Daniel Ortega Saavedra's visit to Moscow earlier in the year. The House of Representatives, voted in April not to permit the Administration to release some $14m of "humanitarian" aid to the Contras.

The Senate legislation calls for the release of the $14m held up from last year and the authorisation of another $24m for the Contras in 1986. It permits the funds to be used for "humanitarian" purposes, thus barring the purchase of weapons and ammunition but probably not other military supplies.

The House is widely expected to approve a smaller financing package for the Contras but conditions on the use of the funds are expected to be stricter. Differences with the Senate legislation will have to be resolved in a conference committee, but the White House seems to stand a good chance of securing Congressional approval for some form of funding for the Contras.

Howe to visit Brazil next month

BY ANDREW WHITLEY IN RIO DE JANEIRO

SIR GEOFFREY HOWE, the Foreign Secretary, is to pay a five-day visit to Brazil next month—a gesture of public approval for the country's recent transition to civilian rule after 21 years of military government.

British officials point to the length of the visit, and the fact that Sir Geoffrey will not be going elsewhere in Latin America, as evidence of the importance being attached to the trip—only the second ever visit by a British Foreign Secretary to the leading power in the region.

As medium term official cover for Brazil from the Export Credit Guarantee Department is currently suspended, on orders from the Treasury, trade prospects in the near future are poor. No attempt to mount a sales drive to improve flagging British exports, will thus be made during the visit.

However, British banks are among Brazil's leading creditors and the British Government is recognised as being played a helping role in the long drawn-out process of renegotiating payments on Brazil's U.S.$103bn (£81bn) foreign debt.

Western officials freed in Beirut

THE AUSTRIAN Ambassador to the Lebanon and the Canadian chief of the United Nations Relief and Works Agency were freed yesterday after angry armed Shi-ite men and women forced them into the refugee camp of Bourj Barajneh in Beirut to seek the release of relatives held hostage by Palestinians inside the camp. Nora Boustany writes from Beirut.

Mr Georg Znidaric, the Austrian ambassador, and Peter Gallagher, the head of UNRWA, had gone to Bourj Barajneh earlier yesterday to supervise the entry of a relief convoy with food, water and medical supplies to civilans trapped inside the densely populated and dust-covered shantytown.

After elaborate contacts involving Mr Nabih Berri, the Shi'ite Amal leader and five senior Amal officials, Mr Gallagher and Mr Znidaric were released. No relief supplies were brought into the camp where some 25,000 Palestinians and 7,000 Lebanese residents are running out of food and water.

Talks involving Lebanese and Syrian officials on how to end the fighting around Bourj Barajneh and Chatila, where Palestinian guerrillas are still holed up and fending off attacks by the Shi-ite militia, have not borne any fruit. A plan for disarming all warring factions in Beirut, including the Palestinians, is still under consideration.

Courtroom uproar in Rome trial

By James Buxton in Rome

THE two-week-old trial in Rome of three Bulgarians and five Turks accused of conspiracy to murder Pope John Paul II in May 1981 lurched back into crisis yesterday as Mehmet Ali Agca, the Pope's would-be assassin, refused to give detailed evidence of Bulgarian involvement in the plot.

He said he could not answer a question from Judge Severino Santiapicchi as to whether he had made an agreement with anyone in Bulgaria on the assassination of the Pope.

He replied: "I can't say anything now. I said that the KGB is threatening me, that the Bulgarian state is threatening me. I absolutely cannot say yes."

The Turkish terrorist's statement caused uproar in the court room and he was allowed two hours to reflect. When he returned to court he said: "With a clear consicence I confirm everything—Bulgaria is guilty." But he added that he could not "explain the facts one by one, because I have been threatened by the Soviet and Bulgarian secret services."

The first attempt to get Ali Agca to give evidence failed last week when he said that he was Jesus Christ—a claim he repeated yesterday. This week, however, he began giving information about his training by Bulgarian officials in a camp in Syria, about his terrorist exploits in Turkey and his journeys in Europe before going to Rome in May 1981.

Japan railway reform

A series of radical recommendations for the restructuring of the loss-making Japan National Railways (JNR) has set the stage for what is likely to be a protracted political and bureaucratic war, reports Jurek Martin from Tokyo.

The independent JNR Reform Commission suggests breaking up the company into six regional entities, establishing a separate freight handling company, cutting the workforce by a third, and selling off bus lines and some land. The recommendations are in some contrast to JNR's more cautious privatisation proposal unveiled earlier this year, which would preserve a single entity. JNR's fate is due to be settled by 1987.

Kohl sets out goals for West Germany at Milan EEC

BY RUPERT CORNWELL IN BONN

IN AN attempt to spruce up his tarnished European credentials, Chancellor Helmut Kohl yesterday set out for the first time in any detail West Germany's goals at the EEC summit in Milan on June 28-29, whose overriding task will be to strengthen Community integration.

He also sharply rejected the prevailing view that differences over Washington's Strategic Defence Initiative (SDI), the next round of world trade talks, and Common Market farm prices had dealt serious damage to Boon's relations with Paris. Franco-German co-operation, he promised, would continue to be the driving force for progress in the EEC.

His remarks came at a lunch here to mark the inaugural session of a relaunched Action Committee for Europe, intended to pick up the work of the former Monnet Committee, comprising leading politicians, industrialists and trade unionists from the Community.

Herr Kohl insisted once more that there was no question of Bonn being forced to choose between its two most important allies, the U.S. and France, both of whom were essential symbols of West Germany's place in the West. Instead he listed the areas where Bonn would be pressing for agreement in Milan.

These are:

- Enshrinement in treaty form of the existing political co-operation in the Community, in order to give this "second pillar of progress toward European unity" a permanent foundation.
- The development of a joint EEC foreign and security policy "worthy of the name."
- Institutional reforms, in particular a return to the principle of majority voting laid down in the 1957 Treaty of Rome, with enlarged powers for the European parliament.
- The extension of the existing internal market of the Community and measures to strengthen European research and high technology. West Germany supported the French Eureka project for closer EEC co-operation in these areas, not least because it was not an alternative to SDI.

Understandably, Herr Kohl made no mention of Bonn's threat last month to use its veto to block any cut in next year's Community cereal prices — which has been seized upon as proof that his support of majority voting to speed Community decision making is no more than lip service.

Tanaka thought to be a spent political force

BY JUREK MARTIN IN TOKYO

JAPANESE politicians now appear convinced that Mr Kakuei Tanaka, the former Prime Minister and power-broker who suffered a stroke in February, will never again be an effective political force.

This belief has been strong for more than a month but gained added ground on Thursday when it was announced that Mr Tanaka is closing his political office in Tokyo at the end of the month.

Mr Tanaka is officially "recuperating" at home. No medical bulletins have been issued recently but visitors have frequently reported that Mr Tanaka's movements and speech are seriously impaired.

The belief that he is finished in politics is likely to intensify the struggle for control of his parliamentary faction, the largest in the ruling Liberal Democratic Party.

This pits Mr Noburo Takeshita, the Finance Minister, against Mr Susumu Nikaido, the LDP's vice-president, both of whom have prime ministerial ambitions.

The consensus is that Mr Takeshita, probably the favourite to succeed Mr Yasuhiro Nakasone, would pick up the lion's share. Mr Nikaido, a wily veteran, has, however, been trying with some success to broaden his support among other factions.

S. Africa sets date for interim Namibia rule

SOUTH AFRICA will install an interim government in Namibia on June 17, Pretoria's top official in the territory said, Reuter reports from Windhoek.

South Africa said earlier this year it would go ahead with an interim goverment despite opposition from external black nationalist forces and Western powers opposed to Pretoria's continued rule of Namibia.

Administrator-General Mr Willie van Niekerk gave no further details of the installation ceremonies.

Leyland bus hope

British Leyland's bid to secure a $434m (£342m) contract to restructure the large debt-ridden Bangkok city bus operation moved a major step closer to reality this week when Thailand's state-run Bus Agency agreed that Leyland should be awarded the contract, reports Boonsong K'Thana from Bangkok. The board's recommendation has still to be approved by the Thai cabinet.

Zapu petition fails

A Zimbabwe high court judge yesterday turned down a petition from Zapu, Zimbabwe's chief opposition party, to declare illegal a proclamation setting nomination day for the coming elections on Monday, June 10, our correspondent reports from Harare.

Mr Joshua Nkomo, the Zapu leader, said the proclamation on Tuesday this week left his party with insufficient time in which to prepare themselves.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to:

U.S. gives EEC blunt warning over farm prices

BY IVO DAWNAY IN BRUSSELS

Mr John Block, the U.S. Agriculture Secretary, yesterday offered the EEC a stark choice between joining its efforts to bring market forces to bear on world farm products or face costly competition from American export subsidies.

Addressing a meeting of European Animal Feed manufacturers, Mr Block made clear that if the Community did not bring its prices into line by next summer by reducing export subsidies "heavy retaliation could be expected.

And he warned that several more deals, similar to the controversial 1m tonne grain deal with Algeria announced last month, must be anticipated within the coming months.

"The export enhancement programme we announced several weeks ago is designed to let the world know in no uncertain terms that something has got to give," he said.

"Either we all move towards free trade or, with great reluctance, the U.S. will have to implement some subsidies of its own to try to recover msrkets lost to unfair competition."

The Agriculture Secretary, emphasised that the subsidy programme had been forced on the U.S. Administration by the general clamour for protectionism over France's refusal to agree a date for talks on a new trade round at the Bonn economic summit last month.

But he added later that the U.S. would only use the programme where it felt unfair competition had stolen American market-share. "If we used it indiscriminately, that would be a trade war," he said.

Replying for the EEC, Mr Frans Andriessen, the Farm Commissioner denied that Community subsidies broke trade rules and endorsed the market-oriented approach. But Community and U.S. objectives differed in several respects, not least through Europe's heavy emphasis on the need to protect farm incomes.

In the cereals sector, however, the Americans are pursuing an expansionist export policy which is detrimental to the European share of the world market and which would almost inevitably put both on a collision course.

"In my opinion, both trading blocks would do well to chart their course so that a direct confrontation can be avoided."

Gatt ministers meet to seek informal agreement

BY DAVID BROWN IN STOCKHOLM

A TWO-DAY ministerial meeting of 20 members of the General Agreement on Tariffs and Trade begins in Stockholm today in the hope of nearing an informal consensus to prepare for a new round of multilateral trade talks.

Although unofficial, it will be the first encounter at the ministerial level this year between developed and under-developd Gatt nations.

If the session produces an understanding that will lay the groundwork for a preparatory meeting of senior officials, then we will consider it successful," says Mr Mats Hellström, the Swedish Trade Minister, who will host the talks.

The meeting is not seeking a formal agreement and will not produce a communiqué, officials here emphasise. The participants include ministers from 20 countries and the EEC, representing a cross-section of the 91-member Gatt, Mexico's Minister of Trade, and the Gatt Director General Mr Arthur Dunkel.

Although a consensus is emerging among OECD members to hold a new round of trade talks, resistance among many developing countries, including India, Argentina and Brazil remains a major obstacle.

A group of 23 developing countries submitted a series of pre-conditions for a new round of trade talks to the Gatt Council in Geneva on Thursday, reiterating their negative attitude but suggesting that a proposal for negotiations on trade in goods only might be forthcoming.

They urged the industrialised countries to honour excisting commitments under the Gatt code, roll back restrictive trade practices, and improve market access.

U.S. President Reagan's Administration — under growing protectionist pressure from Congress — is the major proponent of new talks on a wider range of issues, including trade in services.

The Swedish Trade Minister is circulating a series of ideas aimed at "finding a link" between demands for improved market access on the one hand and the inclusion of new issues such as trade in services on the other.

One senior official warned against "unrealistic expectations" but pointed out "a major advantage of this session is that no record will be taken and it gives the ministers a chance to exchange straight arguments."

Similar meetings were held in Rio de Janeiro last September and Washington last May.

UK pursues more liberal air deal with Scandinavia

BY HILARY BARNES IN COPENHAGEN

THE UK Government is bringing pressure on Scandinavian countries for a liberalisation of air services with the UK — a matter it is pursuing "with a certain amount of impatience," according to Mr Michael Spicer, Parliamentary Under Secretary of State for Transport, after talks in Oslo and Copenhagen this week.

He described the air service agreement between the UK and the Scandinavian countries as "the most restrictive in Europe," and said that fares were "grossly excessive."

Mr Spicer said the Danish and Norwegian Governments have agreed to sit down and talk at official level about the issues involved and he assumed that Sweden would agree, too.

"This is encouraging. Up to now there has been a certain reluctance even to discuss these matters," he said. UK officials were unable to recall when they had last sat down to talks with representatives of all three countries. Mr Spicer said he hoped the talks could begin before or shortly after the summer holiday.

As SAS, the Scandinavian airline, is a consortium airline between the three countries, air service negotiations necessarily involve all three governments.

Parallel talks are being held with Finland, which has a separate air services agreement with the UK. "We are having good discussions with Finland," said Mr Spicer, but declined to say more.

He said that the cheapest Apex fare between London and Copenhagen was £126 (£160, if the ticket is bought in Copenhagen), while the comparable fare to Hamburg is £74. This was an example of what he described as "grossly excessive fares."

An ordinary fare Copenhagen-London return costs £385 (£322, if bought in London). Mr Spicer said the UK wants to discuss three issues: lower, and especially more flexible fares; creation of new routes, for which the rules are currently very restrictive; and greater competition between airlines and destinations.

He said he was delighted to note that Mr Nils Molander, SAS finance director, had been quoted as welcoming more flexible fare structures. "If we could have a wider spectrum of low fares which were directly linked to cabin factors on specific days, we could work the market much better," Mr Molander said.

Paraguayan president cancels W. German visit

BY PETER BRUCE IN BONN

GENERAL Alfredo Stroessner, the Paraguayan dictator, has abandoned, at least temporarily, plans to make an official visit to West Germany next month.

The cancellation was greeted with undisguised relief yesterday in Bonn, where the government has been heavily criticised for being prepared to receive Gen Stroessner, who is suspected by many Jews of having granted asylum to Dr Joseph Mengele, doctor at the wartime Auschwitz concentration camp, where he is accused of murdering 400,000 people.

Chancellor Helmut Kohl, whose hopes of turning this year, the fortieth anniversary of Nazi capitulation, into a celebration of West German democracy have already been destroyed by the row over President Reagan's visit to a Nazi war cementary, had been faced with even deeper trouble over the Stroessner visit, which he refused to call off.

Both the Federal President, Dr Richard Weisaeker, and the Foreign Minister, Herr Hans-Dietrich Genscher, had arranged to be out of the country during Gen Stroessner's visit as a protest against it.

Chinese media baffled by security cordon

By Alain Cass and Colina MacDougall

THE cult of personality and the art of understatement clashed head on this week. Whitehall mandarins and Chinese Foreign Ministry officials in charge of the state visit to Britain of Zhao Ziyang, China's Premier, did silent battle behind the glitter and the pomp.

The Chinese wanted Premier Zhao to get the full media treatment as he mingled with the high and the humble. Whitehall, it seems, had other ideas.

Apart from Monday's welcoming ceremony at Downing Street, lunch with the Lord Mayor at Mansion House and a press conference today, Premier Zhao was to be kept well away from that predatory animal, the newshound.

The Chinese, who arrived in Britain with the curious notion that the Press is as free here as it is in China, were particularly upset at not being able to record Premier Zhao's meetings with Mrs Thatcher and her colleagues.

They find it equally puzzling that journalists, particularly their own, should be kept at a distance when the eminently photogenic Zhao went on walkabouts in Scotland and Cambridge.

This may have had something to do with security. One rather bewildered academic in charge of arrangements in the city of dreaming spires said: The police do appear to be taking all this a bit seriously. They would not let anyone near the poor chap."

One harrassed Chinese official, who resorted to manoeuvring a paint-splattered ladder in the City's Mansion House earlier this week to obtain a good vantage for Peking television, shook his head sadly and said: "I thought you had freedom of the press in this country."

Whitehall retorted by accusing the Chinese of adopting "human wave" tactics. "There are so many of them," said one official, "and they all want to get in everywhere. There's simple no room. Besides, they were told very clearly before they arrived that there would be no access to official functions. . .

"Mind you," added the official, "Buckingham Palace did allow one photographer to take a picture." That, said the official, was an exception, forgetting, perhaps, that when President Reagan lunched with the Queen recently every detail was recorded live on television.

Despite all this Premier Zhao, who leaves for Bonn today, seemed to enjoy himself and impressed those he met. He displayed some nimble footwork when he answered questions at his lecture on China's foreign policy at the Royal Institute of International Affairs on Thursday.

Premier Zhao is in his middle sixties and one of China's younger leaders. He did not, according to his minders, have time for his customary after-lunch nap on the trip. The cares of office, it seems, have taken their toll. His Mao-like thatch of hair has whitened visibly in the past year.

Bonn looks to Zhao visit for nuclear contract

By Rupert Cornwell in Bonn

CHINESE Prime Minister Zhao Ziyong, today starts a nine day visit to West Germany, which the Bonn Government is hoping will lead to a preliminary commitment from Peking to buy at least one nuclear power plant from Kraftwerk Union (KWU).

Negotiations between the two sides have been under way ever since KWU submitted in April its formal offer to construct two stations, each with two reactors, as part of the fledgling Chinese nuclear energy programme.

The orders are reckoned to be worth potentially up to DM 5bn (£1.3bn) but West Germany has been facing fierce competition both from the U.S. and from Framatome of France. They are also complicated by Peking's wish to make part payment in metals and other raw materials, as well as by taking used German nuclear fuel for permanent storage beneath the Gobi desert.

Bonn in the first place dismissed the storage proposals. But the recent go-ahead here for a nuclear reprocessing plant in Bavaria is believed to have led to second thoughts, which could help prospects for securing a nuclear power station contract.

Bonn's attitude has also been modified by China's decision to join the International Atomic Energy Agency which would entail international inspection of nuclear plants in the country.

John Elliott in New Delhi previews Mr Gandhi's trip to Washington

Glimmers of hope for Indo-U.S. relations

"THERE IS no place in the global strategy of the U.S. for India," said the late Mrs Indira Gandhi a year ago during one of her bouts of anger and frustration at the U.S. over military support for Pakistan and cuts in World Bank aid, both of which hurt India.

Next Tuesday her young son and heir, Mr Rajiv Gandhi, arrives in Washington to see how far that historic statement is still true, now that India is becoming recognised as a major developing country which is liberalising its industrial policies and opening its doors to foreign collaborations.

He will be given a triumphal welcome that will probably outclass his current stay in France. President Reagan has said that the festival of India, which Mr Gandhi is to inaugurate in the U.S., is an "unprecedented nationwide celebration . . . of one of the world's most ancient and vibrant civilisations."

Mr Gandhi has said he wants to "develop a better understanding with the U.S.", and he and his Government have been courted in New Delhi by a steady flow of senior U.S. Ministers and civil servants in recent months, preparing for the visit.

There will be talks and agreements on trade, technical and cultural co-operation and on some major projects. But the irritants which irked Mrs Gandhi remain and will be exacerbated by other issues such as planned demonstrations and statements by Sikh extremists, India's resentment over Union Carbide's tactics in the wake of the Bhopal gas tragedy, and India's belief that the U.S. is not doing enough to stop Pakistan making a nuclear weapon.

Mr Gandhi even went so far this week as to accuse America's Federal Bureau of Investigation, which recently uncovered a plot to assassinate him, of initially helping to train the Sikh extremists involved and of not informing India of their activities.

He never makes such public criticisms of the Soviet Union where he made a significant six-day visit last month in advance of his present journey to the west.

He is determined to maintain India's close relationships with the Soviet Union while exploring new ties with the U.S. "Our relations with one is not at the expense of or to the detriment of the other," said Mr Romesh Bhandari, India's Foreign Secretary, before he left New Delhi with Mr Gandhi.

Recent statements by various U.S. Government officials indicate that the U.S. has, somewhat surprisingly, also come to accept that India is a non-aligned country capable of having relationships with both superpowers.

The U.S. has now beaten the Soviet Union to become India's major trading partner. Two-way Indo-U.S. trade exceeded $4bn (£3.2bn) in 1984 and is still rising, mainly due to exports of Indian oil to the U.S.

Since 1980 the U.S. has also displaced the UK as the country with the biggest number of new technical collaborations with Indian companies. Out of a record number of 227 new collaborations in the first three months of this year (up from 176 in the same period last year) the U.S. had 62 followed by the UK with 38, West Germany with 27, Japan with 24 and France with 16.

So the U.S. has already been making a significant contribution to Indian industrial development. This is despite disenchantment with India's economic and bureaucratic policies among U.S. businessmen who find the country a frustrationg, slow and confusing place in which to operate.

Now there is a constant stream of U.S. companies visiting India. Companies like IBM, Pepsico and Coca-Cola which pulled out earlier, are thinking of coming back. Consumer businesses like General Foods are striking new collaborations. Electronics and telecommunication companies such as ITT, AT & T, Hewlett Packard, Commodore, Data General and Apple are looking for business link-ups and major projects.

During the visit an $11m programme for the "advancement of commercial technology" will be signed to encourage joint Indo-U.S. private sector ventures. Talks will also be restarted on a double taxation treaty and India will be looking for meteorological forecasting and agricultural technology.

A recently concluded memorandum of understanding on sales of computers and other high technology items should ease co-operation, even though the U.S. still fears a leakage of its technological secrets to the USSR and is wary of its products being used to help an Indian nuclear programme.

IBM is still suffering delays in Washington over delivery of large computers for an Indian Government inter-city information service. Significantly India is favouring Bull of France over Control Data of the U.S. for a major main frame computer development project, partly because there is little or no risk of France, unlike the U.S., wanting to interfere in the project later.

Indian concern about U.S. Government interference may also cloud talks during the visit on defence sales and on a possible memorandum of understanding to cover India's future defence requirements. Four years ago a bid by India to buy U.S. howitzer guns and towed anti-tank missiles failed amid considerable acrimony after the U.S. refused to guarantee supplies and spares and also refused to allow India to produce the weapons under licence.

Condiesel of the U.S. is still offering the howitzers for which France is now the front runner. There are also talks on a possible sale of three C-130 hercules transports, which might go ahead as an uncontroversial wedge to open the way for other possible sales later.

In the aeronautical field, Mr Gandhi will come under heavy pressure from the U.S. to finalise a $400m-$500m Indian Airlines order with Boeing. A letter of intent was issued last summer to Boeing which has recently had to lower its prices in the face of relentless competition from Airbus Industrie of France.

But Mr Gandhi's main aim, apart from making the trip a successful prestige event, will be to persuade the U.S. to stop Pakistan producing a nuclear weapon. He has hinted that India might revive its own nuclear weapon programme after an 11-year gap if Pakistan is not stopped. He also wants the U.S. to top or at least reduce its sales of sophisticated arms to Pakisan, a subject which will open up differences over the Soviet occupation of Afghanistan.

The real future of India's relationship with the U.S. will depend not on cultural or technological exchanges or computer contracts, but on issues linked with Pakistan. It is primarily on the basis of U.S. reactions in this area that India will judge its future place in the global strategy of the U.S.

GANDHI MEETS MITTERRAND

BY DAVID HOUSEGO IN PARIS

MR RAJIV GANDHI, the Indian Prime Minister, expressed the wish yesterday for expanded economic ties with France and said that India was close to taking decisions on a number of military and civil items under negotiation.

Mr Gandhi, who is on a four day visit to Paris, saw both President Mitterrand and M Laurent Fabius, the Prime Minister on several occasions yesterday. He is being given as lavish a reception as protocol permits for someone who is not a head of state.

Last night he and President Mitterrand opened a popular Indian Festival in Paris with elephants and camels parading across the Seine in an area blocked to traffic from the Eiffel Tower to the Trocadero.

Among the deals which look closest to being signed are orders for helicopters from Aerospatiale and a contract with Bull for the development of a main frame computer. Mr Gandhi said yesterday, however, that French terms were sometimes "very hard" and that France should purchase more from India to help diminish the bilateral deficit.

Mr Gandhi said that he had discussed with President Mitterrand Pakistan's potential acquisition of a nuclear device but said that it "may be too late" for France to do anything useful to prevent it. Mr Gandhi said he will ask the Americans to be tougher with the Pakistanis —pointing to the way Pakistan had got round U.S. customs control to import sensitive items needed to produce a nuclear bomb.

UK NEWS

Northern airports see 'missed opportunity'

By Michael Donne, *Aerospace Correspondent*

REGIONAL airport authorities io the North of England believe the Government missed an opportunity, in its recent White Paper on Airports Policy, "to rectify the growing social and economic disparities between the North and South of England."

A statement by the Consortium for the North, commenting on the White Paper which gave the go-ahead to the development of Stansted airport, in Essex, said: "To the extent that the present Government's White Paper seems to reflect a more positive and realistic view of the contribution which regional airports can make, both to air transport as a whole and the economies of their regions, then it may form the basis for the kind of development of regional airports which we would have liked to have seen after the 1978 White Paper."

The consortium, formed by local authorities owning airports in the North, said people in the North needed to be assured that the Government, and its successors, would honour the White Paper's commitments.

● Norway and Sweden have agreed to consider a treaty with the UK, which could reduce air fares and allow more services, especially from UK regional airports.

Action against councillors

By Andrew Arends

DISTRICT auditors are to start proceedings that could lead to disqualification from office of councillors at Liverpool and the London Borough of Lambeth, for their refusal to set a rate for the current financial year.

Letters will be sent to councillors on Monday telling them their action has been illegal and they will be surcharged to cover the losses that have occurred from it.

Members of the councils who have voted to set a rate will not be liable for surcharge and disqualification.

The District Auditors, part of the Audit Commission, are required to act when losses stemming from misconduct exceed £2,000 in total.

Lloyd's members claim pattern of false accounting

BY JOHN MOORE, CITY CORRESPONDENT

THE BACKGROUND to losses of £130m falling on 1,525 underwriting members of the Lloyd's consistent with a long-term and all-embracing fraud and false insurance market is entirely accounting dating back to the early 1970s, a group of underwriting members claimed yesterday.

The underwriting members, who form a steering committee, had commissioned Price Waterhouse, the accountants, to carry out a major review of their affairs in an effort to find out how the losses have arisen.

Price Waterhouse has just completed its initial inquiries for the steering committee representing 35n of the underwriting members.

The accountants, studying the affairs of syndicates 918, 940, and 157 into which around 400 members are grouped and where the bulk of the losses are occurring, have been probing the accounts and the business arrangements of the syndicates.

Lord Goodman: heads steering committee

The initial findings of the accountants, according to the steering committee led by Lord Goodman, a leading lawyer, have found:

● That the syndicates' business arrangements whereby insurance risks are laid off, had been wrongly implemented in a manner prejudicial to the syndicates;

● Syndicate accounts were manipulated in such a way as to conceal serious over-trading. Up to three times more business was accepted than allowed under Lloyd's financial limits at certain stages.

The steering committee also comments that:

● When the members last year were offered £40m in compensation for money which bad been alleged to have been misappropriated by former underwriting executives, the underwriting members were not told that the syndicates were underreserved by £36m gross.

● A large amount of money which could have been recovered through collections under reinsurance policies for the syndicates had not been claimed or credited to the syndicates' accounts.

The steering committee and its lawyers have calculated that at least $15m may be owing to the syndicates, which are managed by Richard Beckett Underwriting Agencies, as a result of accounting muddles which have occurred.

The troubles for the underwriting members started in 1982 when it emerged that a series of irregularities had taken place in the agency, then known as PCW. Last year, Minet and the agency revealed that £40m of underwriting members' funds bad gone missing. Minet traced the funds and returned them to the members unscrambling a complex international reinsurance programme to do so.

With mounting losses, the steering committee fears that the three most troubled syndicates have not received all the amounts that they are entitled to. Under Lloyd's rules, the underwriting members have to meet the full extent of their losses from their own resources.

Contingency plans drawn up for agency

BY OUR CITY CORRESPONDENT

THE AUTHORITIES of the Lloyd's Insurance market are understood to have prepared contingency arrangements if 243 underwriting members, whose affairs are managed by the Spicer and White underwriting agency, continue to dispute insurance losses amounting to nearly £20m.

Lloyd's is standing by to create a new independent agency company, Additional Underwriting Agencies (No. 4), to manage the affairs of the underwriting members if the dispute cannot be resolved.

At present Spicer and White (Underwriting Agencies), and its ultimate parent company, Willis Faber, the large insurance broker, have arranged a £9.4m letter of credit for the underwriting members to help them meet the outstanding losses. So far £10m of the claims have been met.

Members' agents who introduced a large number of the members to the Insurance syndicates under Spicer and White's management were *expected to meet* the interest payments on the loan facilities as part of the offer. Spicer and White would also be paying the interest payments and Willis Faber bad agreed to meet any default in the loan repayments by underwriting members.

In return, the underwriting *members had to agree to take* no legal action against various parties during the life of the loan facilities. Underwriting members are resisting the loan arrangements provided by Chase Manhattan Bank and so far only 73 underwriting members have accepted. The offer was conditional on 100 per cent acceptance or any lesser amount that the agency and Willis Faber decided.

Underwriting agents are also *resisting* acceptance of the package. "We have always recognised that real financial hardship would result for many names (underwriting members)," said Spicer and White this week. "This is precisely why our offer has been specifically designed to help you over this difficult period without sacrificing your legal rights."

The offer has been extended until July 2, but Lloyd's fears that an ugly legal battle will begin over the losses. It has therefore taken its steps to provide further management facilities in the shape of a new company if the need arises.

Japanese Bosporus explanation attacked

By Raymond Snoddy in Tokyo

JAPAN'S approach to the controversial contract to build a second bridge across the Bosporus in Turkey, won by a Japanese-linked consortium, came under renewed attack from a British minister yesterday.

Mr Geoffrey Pattie, Minister for Information Technology, said the latest Japanese explanation of the level of financing it had made available to clinch the deal in the face of UK competition was "likely to produce hollow laughter in London."

Mr Pattie, in Tokyo at the end of a trade mission to Japan, was commenting on the reply by Mr Yasuhiro Nakasone, Japan's Prime Minister to a letter from Mrs Thatcher, the British Prime Minister, about the project.

Mr Nakasone, he said, had reiterated that the soft loans involved were development assistance rather than credit offered for export promotion.

"We don't find this a satisfactory explanation," Mr Pattie said.

Mr Pattie has been exploring during his visit the possibilities of British companies participating in a liberalised Japanese telecommunications market.

"We have discussed a British participation, presumably through British Telecom and Cable & Wireless, in one or other of the companies being formed to provide some competition to Nippon Telegraph & Telephone as a national carrier," Mr Pattie said.

Mr Pattie said yesterday he believed there were growing opportunities for the British aerospace industry in Japan. Japanese airlines would soon be ordering more than 20 aircraft. The Japanese Defence Agency was studying the possibility of a new fighter plane.

Sri Lanka aid package delay criticised

By Our Trade Editor

MINISTERS were accused yesterday of "dithering" over an aid package for Sri Lanka needed to clinch the contract for British companies to build a hydroelectric scheme.

Mr Bryan Gould, Labour's trade spokesman, tabled a question in the Commons asking for an inquiry into the reasons for a delay in setting up the aid and credit package for the scheme.

A consortium led by Balfour Beatty was said to have been waiting six months for ministers to approve £14.4m of aid for a project estimated at £260m in the South of the island.

The Overseas Development Administration, which administers tied aid, said ministers were expected to reach a decision "at an early date."

Sri Lanka's Government had raised the question of aid for the project two months ago when Mrs Thatcher visited the country.

The project is to be supported jointly with aid loans from Britain, France and Japan, the ODA said.

Balfour Beatty was one of the UK contractors for the Victoria Dam and hydro-electric power station near Kandy inaugurated by Mrs Thatcher during her visit.

Hattersley calls for a rethink on 'old-style nationalisation'

BY PETER RIDDELL, POLITICAL EDITOR

THE Labour Party should examine new forms of common ownership, particularly workers' or consumers' co-operatives and the granting of equity stakes to workers in their companies, as alternatives to nationalisation, Mr Roy Hattersley, the Shadow Chancellor, argued yesterday.

In a speech in Oxford on economic democracy, the latest in a series aimed at redirecting party policy, Mr Hattersley said Labour had to realise that if it was committed to "a more equal distribution of power as well as of wealth, the old Morrisonian model of centrally controlled public utilities does not meet our needs."

He contrasted miners, who felt they did not have much control over the workings of the National Coal Board with employees in a John Lewis Partnership store who bad a greater influence over their conditions of work than any miner could realistically claim.

The founding fathers of Labour, he said, never intended that the party should be rigidly committed to "old-style nationalisation — the public monopoly run as a monolithic bureaucracy from London."

He argued that workers' or consumers' co-operatives should be encouraged through changes in company and tax law, when privatised utilities are returned to public ownership, and through the work of Local Enterprise Boards.

A Labour government would also consider the introduction of Swedish-style worker investment funds to assist the build-up of workers' shareholdings

He said Labour would welcome a scheme which provided equity stakes for workers in companies which employed them, but it would have to be accompanied by the normal rights and opportunities associated with equity ownership.

Mr Hattersley argued that extending workers' rights by giving people a stake in distributed profits and a say in how retained profits are invested was central to a democratic and pluralist approach.

On a similar theme Mr David Steel, the Liberal leader, said in Leeds last night that the Alliance intended to make profit-sharing a key plan in its platform for economic recovery.

"We intend to act both at the macro-economic level to build our incomes policy around the concept of profit-sharing and at the micro-economic level to change both tax and company laws to make the profit-sharing employee the norm rather than the exception," he said.

Bulk of savings expected from housing

BY OUR POLITICAL CORRESPONDENT

MOST OF the public expenditure savings from the recent social security reviews will come from the cut in housing benefit, Mr Norman Fowler, the Social Services Secretary, said last night.

In an interview on Channel 4's Week in Politics programme Mr Fowler refused to say whether there would be cuts in the cash value of benefits.

He said that the key benefit change was in housing, which would form the bulk of the area from which savings in the medium term might come. He has already said that savings are expected to be £500m.

The present social security appeals machinery would go, he said later in the interview. There would be a different system of review, but not "the rather bureaucratic appeals procedures we have at the moment."

Mr David Howell, the former Transport Secretary, welcomed the proposals in a speech in Guildford last night. He warned that "the broader message" was still not getting over to the public.

According to an analysis on the television programme, the Liberal candidate should sweep to victory in the forthcoming Brecon and Radnor by-election, now expected for July 4.

Jenkin wants more public land used for development

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

THE GOVERNMENT is stepping up its efforts to get more public sector land released for development.

Mr Patrick Jenkin, Environment Secretary, has written to 35 private sector organisations asking them to help in identifying "wasted land," so that it can be developed.

Since 1980 the Government has compiled land registers in all English local authority districts, identifying publicly-owned, unused and under-used sites. The Secretary of State can insist that land on the register is sold for development, provided the disposal does not seriously affect the owner's operations.

In the five years since the registers were set up, about 8,000 hectares of land have been removed from them and brought into use, although 46,000 hectares remain available.

Mr Jenkin believes the private sector, and developers in particular, have tended to leave the initiative to him and he wants more help identifying underused sites. Until now land registers have not included sites under one acre, but the size limitation is to be removed.

Mr Jenkin said yesterday: "We have got to stop the scandal of wasted land in public ownership. We brought in registers to tackle it, but it seems we have not been tough enough. I am keen to step up the pace and want the private sector to take the initiative.

Move against Sinn Fein

BY BRENDAN KEENAN IN DUBLIN

NORTHERN Ireland ministers are taking legal advice about whether they have the power to exclude Sinn Fein councillors from the four area health and social services boards which administer those functions in the province. If they have such power, the ministers are expected to veto any Sinn Fein members nominated by local councils.

The Government does not have the power to veto nominations to education boards, which are responsible for the provision of schools and their day-to-day management. However, powers of veto may exist for other, less important statutory boards.

The decision by the authorities to exclude Sinn Fein where possible is in line with the ban on ministers meeting Sinn Fein representatives — either individually or as part of larger groups. It will be welcomed by Unionist,s but will force the Social Oemocras and Labour Party (SDLP) into the uncomfortable position of again appearing to defend their Sinn Fein rivals. The SDLP takes the view that all elected representatives should be treated the same.

Property owners protest over rents retreat

THE CABINET'S decision on Thursday to drop legislation ending rent controls on new lettings of private housing from its 1985-86 programme was attacked yesterday by the British Property Federation.

Ministers believe legislation is unlikely until after the next general election. They argue that the fears that changes in rents will bring political and electoral unpopularity, which led to dropping of the Bill from the 1985-86 programme, will apply with even greater force a year nearer an election.

Mrs Thatcher and Treasury and senior Environment ministers remained committed in principle to ending rent controls on new lettings.

In a statement yesterday the British Property Federation said: "The Government has *funked it. It had an opportunity* to make some real progress towards increasing the supply of privately rented dwellings which are so necessary, but it was too cowardly to do it."

Timex to end sales of Sinclair computer

TIMEX has agreed to stop selling Sinclair Research computers overseas. A row erupted this week when Timex asked Zela Marketing to sell 65,000 Spectrum Plus computers overseas, undercutting Sinclair's prices. Timex, one of Sinclair's largest suppliers, recently agreed to extend two months' more credit to the troubled home computer group.

David Fishlock on plans to demonstrate aspects of the SDI system

U.S. homes in on Star Wars sceptics

THE U.S. is planning demonstrations of technology, used in the *Strategic Defence Initiative*, partly with the aim of convincing sceptics in the scientific community of the feasibility of the so-called Star Wars concept, a top U.S. scientific adviser to the programme, said in London.

Mr Edward Teller, the U.S. physicist advising the $26bn (£20.5bn) research and development programme, said the demonstrations—referred to as "beacons" or "stars"—were expected to cost between $500m and $2bn each, and several were foreseen over the next two or three years.

They would not be prototype weapon systems, but would demonstrate some segments of SDI technology which have been called "impossible" by the programme's critics.

rrmisod]vinetheet HT RA TAR

Mr Teller defines SDI system concepts as "surgical instruments to remove the elements of mass destruction." The basis is a weapon operating at or near to the speed of light, 100,000 times faster than the target missile, backed by artificial intelligence to handle the battle management.

Mr Teller believes that America's allies should cooperate fully in the research and development phase of the programme. He and Mr George Keyworth, President Reagan's scientific adviser, have been attempting to explain SDI to scientists overseas.

Both Mr Teller and Mr Keyworth admit that until five years ago they, too, were sceptical about the feasibility of anti-ballistic missile (ABM) defence.

For two hours yesterday Lt-Gen James Abrahamson, director of the U.S. Strategic defence Initiative organisation briefed Mr. Michael Heseltine, the Defence Secretary, in London on latest developments in the programme and how Britain could become involved. The $26bn (£20.4m) research project is designed to provide by 1990 technologies that could form the basis of a defence system to protect the U.S. from Soviet missiles. Britain with other Nato countries, is in process of deciding whether to join the programme. The UK has yet to respond formally

One example Mr Keyworth gives of a "breakthrough" in a problem area is an idea for making a mirror big enough, yet perfect enough, to focus a laser beam on missiles thousands of miles away.

University of California scien- mirror" 10 metres in diameter. This would be far too big to This wuld be far too big to polish to the perfection they need, much less to mount in space without distortion.

However, the "rubber mirror" is made up of 36 smaller but perfect mirrors, each of which is constantly adjusted at very high speed under computer control. The result is a perfect reflector for capturing starlight and for focusing a laser beam at very high speed on targets in space.

Construction of the $85m telescope has begun in Hawaii.

Mr Teller particularly favours non-military demonstrations. The Lawrence Livermore laboratory of the U.S. Energy Department is planning a biological experiment which could convince scientists of the existence of an X-ray laser, capable of generating "hard" or very short wavelength X-rays.

The existence of such a laser is a highly classified part of the SDI programme, although the U.S. Government admitted last month that it existed.

However, to make such a laser work requires the energy of a nuclear explosion—there is no other way of pumping enough energy into it.

Mr Teller's idea is that such a laser should be used to create a three-dimensional hologram of a living cell, photographed "as it takes its last breath." If this was done with radiation of longer wavelength, even with "soft" X-rays, the cell would be considerably damaged by the rays before it had been photographed. Only using hard X-rays could it be photographed quickly enough.

The biologists would recognise immediately, the implications of a successful experiment, Dr Teller says.

The SDI programme has been organised on a "horse race" basis by Lt General James Abrahamson, its director, says Mr Teller. Every project is running as fast as it can, but the programme is designed to reward the best horses.

How many horses are permitted to run depends on the funding voted for SDI—$1.4bn for its first year, $3.7bn requested for next year, and $4.9m for 1988. The slower horses are shot, as the director

Edward Teller: favours non-military demonstrations

put it. He has already shot one, called Talon Gold, an ambitious Lockheed-managed project to demonstrate space-based target acquisition technology.

Guardian Royal car premiums to rise 10%

By Eric Short

GUARDIAN Royal Exchange Assurance, one of Britain's largest motor insurers with more than 1m accounts, is raising motor insurance premiums by an average 10 per cent from July 1.

The company brought in its previous increase, a rise averaging 8 per cent, only last December. Thus motorists renewing their insurance next month will be affected by two increases.

For example, a motorist aged 45 living in outer London, owning a Ford Cortina 1600L, with full no claims discount, husband and wife cover only and a £50 excess, will find the premium has risen 15 per cent from £103 to £118.

Conscious of the size of increase, GRE is mounting a campaign to tell motorists ways of easing the burden. It is sending policyholders a leaflet pointing out that payments can be made monthly at little extra expense and that costs can be cut by taking a higher excess—the first part of the claim borne by the motorist — or by restricting cover to husband and wife.

GRE, in common with other motor insurers, has been hit by a steady rise in the number of claims being made by motorists. At GRE claims have risen by 20 per cent in recent months, so that whereas previously one motorist in six was involved in an accident during a year, the average is now one in five. The insurers have not been able to pin down any one factor as a prime cause for the trend.

The rise in numbers of claims has brought an end to the keen competition waged between motor insurers for the past three or four years. During this period, premium rates were unchanged, or increased by comparatively small amounts, in order to capture or retain market share, even though it led to higher underwriting losses.

Royal Insurance raised motor premium rates from the beginning of this month, only three months after a previous increase. Again the reason given was the rise in the number of claims. Other insurers are looking closely at their ratings.

Brewer prompts Peugeot re-design

By JOHN GRIFFITHS

A UK brewery has been responsible for Peugeot producing a new version of its 305 model at its Sochaux plant in Alsace and changing the course of Peugeot-Talbot's diesel car sales in the UK.

Peugeot's UK subsidiary believes that the "tailoring" of a car to one company's requirements, including an engine change, is unique to the volume motor industry.

The changes were brought about by the Scottish & Newcastle brewery group, which was the first large UK company to switch its fleet of 1,100 cars to diesel in 1980. More than half of them were Peugeots.

At the end of 1983 the brewery asked Peugeot-Talbot if a smaller engine could be fitted to the 1.9 litre 305 diesel, the only unit then available, to take advantage of the lower tax penalties applied in the UK to cars under 1.8 litres. To Peugeot-Talbot's surprise, its French parent agreed, subject to a minimum volume of 1,000 cars.

Last summer, S & N began taking delivery of the new diesel 305s, fitted with the 1.7 litre engine of Peugeot's small 205 hatchback.

Since S & N could not absorb all the 1,000 cars, some were offered to other companies.

UK diesel car sales in the first four months of this year were running 80 per cent higher than at the same time in 1984, when a total of 46,115 were sold. The 1.7 litre model has accounted for most of the 1,841 305 diesels sold up to the end of April. The figure makes the 305 the UK's second best-selling diesel, behind Peugeot's smaller 205 model.

S & N and Peugeot Talbot are now repeating the exercise.

While the first 1.7 litre model was a low-specification fleet car, S & N has prevailed upon Peugeot to produce an executive version with a specification including central locking and an electric sunroof. The Sochaux plant has set a minimum production run of 500, and again Peugeot Talbot is to offer the cars to other companies in the UK.

The model has now received a designation SRD, and, says Peugeot, "we are urging dealers to explore the interest in the vehicle. And if anyone else comes along with a similar idea, we'll be ready to look at it."

Peugeot Talbot is forecasting that the UK diesel car market will continue to expand rapidly this year. It expects diesels to account for at least 3.6 per cent, or 61,200 cars, of a total new car market of 1.7m.

Diesel sales last year were 85 per cent higher than the 24,905 sold in 1983.

At least 20 new models are expected to be launched this year, and one forecasting group, Automotive Industry Data, has predicted that diesel cars' share of the total European new car market could reach 20 per cent by the end of the decade, compared with 13.57 per cent last year.

Leyland keeps first place in heavy truck market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

LEYLAND'S Roadrunner truck is making its presence felt in the market place, helping the BL subsidiary become hevy truck market leader for the third successive month, in May.

Ford was pushed into second place in the heavy sector (over 3.5 tonnes gross weight) and is also under pressure from Daimler-Benz, the Mercedes group, offshoot.

The battle between the four compaines mainly centres on the 7.5 tonnes sector. Trucks of this weight account for one quarter of total heavy vehicle registrations in the UK

Most Roadrunner sales are at 7.5 tonnes and Daimler-Benz also has a West German-built entrant at that weight, the LN2.

The competitive activity helped boost total registrations in the over 3.5 tonnes sector by 18.51 per cent last month compared with May 1984 to 4,686. In the first five months of this year heavy truck and artic sales were up by 9.3 per cent, or 2,166 vehicles, at 25,376.

Leyland's registrations last month in the sector reached 782, up from 583 in May last year, while Ford's were 769 (585), Daimler-Benz's 626 (372) and Bedford's 351 (321).

For the five months, however, Ford remained heavy truck leader with 4,175 registrations (4,189), followed by Leyland's 3,714 (3,334), Bedford's 3,085 (3,022) and Daimler-Benz's 2,913 (2,170).

Society of Motor Manufacturers and Traders' statistics show that every sector but buses and coaches improved last month compared with May 1984 and the commercial vehicle market was up by 6.65 per cent to 23,048.

Registrations of all commercial vehicles in the five months totalled 128,961, some 4.31 per cent better than the 123,633 for January-May last year. Importers took 36.84 per cent (33.67 per cent).

Fund chief advises on venture capital

By David Fishlock, Science Editor

ENTREPRENEURS were warned yesterday not to be impatient with the venture capital companies from which they sought help to finance businesses.

There was no shortage of venture capital, said Mr Peter Laing, manager of Biotechnology Investments, N. M. Rothschild's $85m (£66.8m) specialist fund for biotechnology ventures. However, his fund investigated the credentials of each proposal carefully and usually needed six months to do it.

Mr Laing was opening a meeting in London of the newly-formed Association for the Advancement of British Biotechnology, the industry's first trade association. The meeting looked at the problems of starting a biotechnology company.

Mr Laing, whose fund has investigated over 300 biotechnology proposals and backed about 30, was highly critical of many British proposals.

They were usually one-man affairs, not from teams that could form the nucleus of a company, and were usually weak in market research to support the idea.

Labour attacks lack of research funding

BY ANDREW ARENDS

THE GOVERNMENT'S policy on scientific research and development has been attacked by Mr Tony Blair, a Labour front bench economic spokesman.

Speaking on the Committee Stage of the Finance Bill on Thursday night, Mr Blair called for direct public investment in scientific research for industry. Private sector investment in this area in Britain was less than in other countries.

The Government was keeping 100 per cent capital allowances for scientific research—an indirect form of assistance—so why, he asked, should there not be direct assistance in the form of public investment? British industry needed both public and private sector investment in such research in order to develop a proper technological base.

Mr Blair said the Government had admitted it was important to retain capital allowances for scientific research, so why not have them for areas where there was a lack of investment?

Mr Blair was supported from the Labour backbenches by Mr Derek Fatchett and Mr Harry Cohen. Mr Fatchett said scientific research was grossly underfunded in the UK compared with its industrial competitors. According to the Organisation for Economic Co-operation and Development, he said, Britain ranked 10th in terms of civilian scientific research.

Mr Tony Blair: investment call

Replying for the Government, Mr John Moore, Treasury Financial Secretary, said he appreciated the Opposition's concern over scientific research. It was the "high risk" nature of this type of investment that required the retention of capital allowances.

In other areas, he said, capital allowances were not helpful. Under the old system, many companies have pursued "tax efficiency," rather than profitable investment to stimulate jobs.

Redland moves to keep lead of tile market

By Joan Gray, Construction Correspondent

REDLAND ROOF Tiles has moved to protect its leadership of the £150m a year concrete roof tile market, which is soon to face a challenge when rival plants in Wolverhampton and Ireland begin full production.

The company has won a British Standards Institute Kitemark for its concrete tiles, the only tile maker to have been awarded the seal.

Mr Tim Walker, Redland chairman, said: "There was just no way we were going to let companies from Ireland or Wolverhampton take away our hard-won market share.

"We went through the agonies of getting a Kitemark so that if we cut our price when the competition hots up, nobody can say that we have done it at the expense of quality."

Redland and Marley, its main competitor, dominate the concrete roof tile market, with 41 per cent and 37 per cent. The latest competition will come from Tare Tile, Tarmac and ARC's joint company, and Cement Roadstone of Ireland.

The Kitemark award will give Redland an advantage in winning contracts from the Government's Property Services Agency and orders from housebuilding concerns, which are encouraged to use Kitemarked products by the National House Building Council.

Redland has invested £25m in updating its concrete tile plants over the past four years, including £8.5m setting up an automated plant at South Cerney, Gloucestershire. This investment has helped to cut labour costs by more than £3m a year.

The company has invested £3m in a plant in Wales to manufacture tiles, which it developed in its research laboratories.

Debate urged on irradiation of food

By Lisa Wood

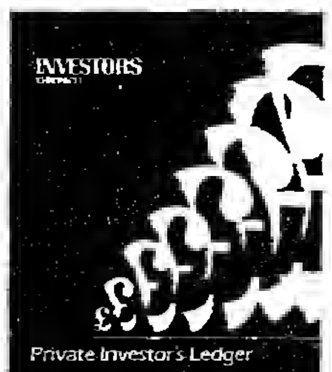
A FULL public debate about the risks as well as the benefits of food irradiation has been called for by the London Food Commission, an independent food watchdog funded by the Greater London Council.

Food irradiation is being investigated by a Government advisory committee which is expected to report soon. The practice, which can extend the shelf-life of fresh foodstuffs, is limited in the UK to food for medical purposes, although it is widely used overseas.

The commission, in a briefing paper circulated to MPs and interested parties, called for a much wider debate because the technology raised health and safety issues for both workers and consumers.

Private Investor's Ledger 1985-86

The most effective way of keeping track of your investments



- With the Private Investor's Ledger you can become a more effective investor. You can keep a total record of all your investments in one place. Making entries and calculations becomes easy and convenient.
- Purpose-designed sections enable you to record in a professional way your fixed interest stocks, shares, overseas investments, monthly valuations, Building Society and bank deposits, National Savings, other investments, and insurances.
- Key data from the recent Budget on updated tax rates and allowances, and on Capital Gains tax and stamp duty enhance the effectiveness of the Ledger. Full account is taken of the Finance Bill 1985. Back-up information and reference data on dealing and taxation are also provided.
- Coverage includes; Dealing information ★ Up to date Stock Exchange commission rates ★ Forecast of forecasts for the U.K. Economy ★ *Investor's Glossary* ★ Calculating a yield ★ Stock Exchange account calendar ★ Investment Ledger ★ Building Society Investments ★ National Savings Investments ★ Net Interest table ★ Capital Gains tax ★ Retail Price Index ★ Capital Transfer tax ★ Income tax ★ Net Percentage Yield table ★ Income tax — grossing-up table.

ORDER FORM

To: Marketing Dept., Financial Times Business Information,
Greystoke Place, Fetter Lane,
London EC4A 1ND

Please note payment must accompany order.
Price includes postage and packing.

Please send me____copy/copies of **PRIVATE INVESTOR'S LEDGER 1985-86** at £5.95 each (inc. VAT).

I enclose my cheque value £____payable to FT Business Information

BLOCK CAPITALS PLEASE

Mr/Mrs/Miss________

Job Title________

Company________

Address________

Nature of business________

Signed________ Date________

Please allow 28 days for delivery. Refunds are given on books returned in perfect condition and within 7 days of receipt.
FT Business Information Ltd. Registered address Bracken House, Cannon Street, London EC4P 4BY. Reg. No. 980898.

1984 Edition

A Guide to Financial Times Statistics

is the simple all-in-one volume answer

Know what 'new time' dealings are? Divergence limits, straddles, spot rate? Do you really know your way around the statistics pages of the Financial Times? Understand the vital information locked up in those tell-tale figures?

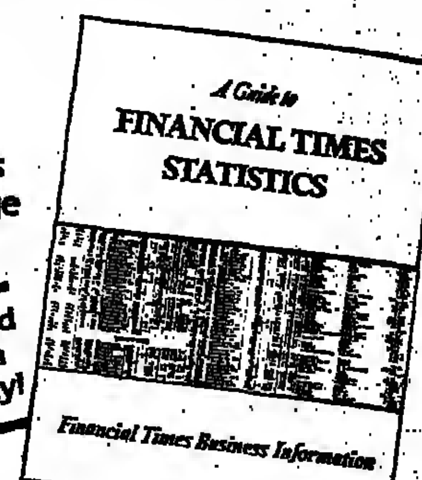
Your ideal Guide
If not, you need a copy of the book that makes everything crystal clear:
'A Guide to Financial Times Statistics'. Just published in a new edition. Already a big seller, this updated edition has been specially written by the FT's own staff.

Very practical — for everyone
Here you'll discover precisely what FT statistics are; how they are computed; what they are used for; how you can find your way around the FT statistics pages . . . and more.
Invaluable to bankers, pension fund managers, accountants, marketing executives, export managers, private investors and students.

Contents
The Share Information Service
How the FT Calculates Earnings
The "Financial Times Index"
The FT-Actuaries Indices, Calculation
Overseas Share Prices - Unit Trust Prices
Currencies and Money - Options and Futures
Commodities - The Euromarkets
UK Company Data - International Company Data
General Economic Data and Official Statistics
UK Economic Indicators, Overseas Statistics
News Summary - International Edition
Appendix: the Measure of Things
The FT-Actuaries Share Indices
Constituents of FT Stock Indices - Index

Only £9.50 UK US$19 overseas including postage and packing.

Clip this coupon and return it to us with your cheque. Today!



ORDER FORM

Please return to: The Marketing Dept,
Financial Times Business Publishing Ltd,
102 Clerkenwell Road, London EC1M 5SA.
Tel: 01-251-9321. (Mail order address only).

Please note payment must accompany order. Prices include postage and packing.

Please send me _____ copy/copies* of **A GUIDE TO FINANCIAL TIMES STATISTICS** at £9.50 UK or £11/US$19 overseas.

I enclose my cheque value £/US$ _____ made payable to FT Business Publishing.

*I wish to order 5 copies or more. Please contact me with details of bulk order discounts.

Telephone:________

PLEASE USE BLOCK CAPITALS

Mr/Mrs/Miss________ Title________

Organisation________

Address________

Post Code________ Country________

Signed________ Date________

Please allow 28 days for delivery. Refunds are accepted on books returned in perfect condition and within 7 days of receipt.
Registered office: 10 Cannon Street, London EC4P 4BY. Registered in England No. 980896.

ET

BY HOW MUCH WOULD YOU LIKE YOUR MONEY TO GROW?

423% IN 21 MONTHS 406% IN 20 MONTHS 300% IN 6 MONTHS

These are just some examples of what the IC Stockmarket Letter has achieved recently.

Even if you are already an experienced investor, you could do better than ever with our help.

You are invited to take the first step now: receive 4 issues of the IC Stockmarket Letter free, as an introductory trial. After just four weeks we believe you'll see how you can begin to make financial gains on the Stockmarket.

THE PROOF OF SUCCESS

The "proof of the pudding" is in IC Stockmarket Letter's performance.

Since May 1983, when Jack Easterbrook became editor, 9 out of 10 UK shares we have recommended have grown in value.

In the end, you make the decisions. But we provide the clear, concise, factual background and analysis that help make your decisions the right ones.

You can see IC Stockmarket Letter for yourself for 4 weeks free. Get a flavour of its style, and enjoy the benefits of the many share recommendations we are making now.

You can become a trial subscriber, and receive the next 4 issues FREE, if you send back the coupon now.

After receiving your 4 issues, you can decide to cancel your trial subscription, if you do not find the IC Stockmarket Letter to your taste. Just let us know.

But if you do like what you find, we'll go on sending you weekly issues – 51 in all – to see you through into 1986.

SAVE £30 WHEN YOU SUBSCRIBE

Reply now and take advantage of our special introductory discount. Save £30 off the normal UK £110 annual subscription rate and pay only £80 for the first year.

This offer closes on July 12 so send the coupon off today.

IC Stockmarket Letter
F.T. Business Information Ltd.

HOW OUR SELECTIONS HAVE PERFORMED

	Rec date	% gain as at 9.5.85			
Keywest Inv.	8/83	+423**	Low & Bonar	9/83	+140
Australian Con. Min.	9/83	+408	Neil & Spencer	6/83	+138†(9)
Reed Executive	8/83	+323	Rotaflex	10/83	+138
London Eur. Airways	11/84	+300	Home Charm	3/84	+136
Antofagasta Hldgs	9/83	+248	Brammer	11/83	+132†(16)
Grattan	6/83	+248†(17)	Coats Patons	11/83	+126†(16)
Microgen	1/84	+245	RHM	10/83	+121
Wolstenholme	10/83	+220	Comcap	5/84	+119†(10)
Dee Corp.	5/83	+217	Lister	11/83	+119†(4)
High Point	12/83	+204	Wight Collins	2/84	+118
Vickers	7/83	+202	Iceland Frozen Foods	9/84	+118†(7)
Falcon Res.	10/84	+199	Jaguar	8/84	+114†(6)
Appledore, AP,	10/84	+195	V G Instruments	1/84	+113
Bridon	6/83	+188†(22)	Bridport-Gundry	11/83	+109
Aero Needles	12/83	+183†(2)	Low & Bonar	9/83	+108**(7)
AE	11/83	+181†(17)	Tootal	6/83	+103†(21)
Delta Group	5/83	+180	Carpets Int.	5/84	+100†(11)
Wolstenholme	10/83	+180**	BET††	6/83	+99
Bath & Portland*	8/83	+178*	Fisons	5/83	+97†(22)
Booker McConnell	8/83	+164	Rotork	11/83	+94
MCD Group	5/83	+157	Laporte Ind.	11/83	+92†(16)
Bleasdale	3/84	+150	Reuters	5/84	+92
Waterford	6/83	+150†(21)	Blue Arrow	8/84	+90
Argyll Group	9/83	+148	Sangers Photo.	8/84	+89
Cope Allman	12/83	+140	Gestetner 'A'	8/83	+87†(6)

† — at recommended sale price ( ) — number of months between purchase and sale ** — Partial sale
* — Taken over by Consolidated Gold Fields †† — Original recommendation was Advance Services

To: Marketing Dept., F.T. Business Information Ltd, Greystoke Place, Fetter Lane, London EC4A 1ND.

YES, I wish to accept your offer of a 4-issue free trial subscription to IC Stockmarket Letter. If, after receiving the fourth issue, I decide it is not for me, I simply cancel my standing order and write and advise you. Otherwise you will continue to send me IC Stockmarket Letter for the next 12 months and charge me by Standing Order at the special discount price of £80 in the first year. My year's subscription will take effect from the fifth issue.

BLOCK CAPITALS PLEASE

Mr/Mrs/Miss________

Address________ 60815

________ Post code________ Date________

Signed________ Nature of business________

To (Name of your bank)________ Bank PLC

Address of Branch________

________ A/C No.________

Bankers Order
Please pay to the Midland Bank, 5 Threadneedle Street, London EC2R 8BD Sorting Code 40-07-02 for the account of FT Business Information Ltd. (50957615) the sum of £80 six weeks after the date you receive this order and thereafter on the anniversary of the same date each year the sum of £110 being my membership and subscription to IC Stockmarket Letter. Debit my account accordingly until cancelled by me in writing.

FOR OFFICE USE ONLY IMPORTANT NOTICE TO THE BANK
The following reference must be quoted when crediting our account Ref. no.________
FT Business Information Ltd, Regd address: Bracken House, Cannon Street, London EC4P 4BY. Regd No: 98096

هكذا من الأصل

NCB plans to axe 2,000 jobs in South Yorkshire

BY WALTER ELLIS

PIT closures and job losses affecting a total of 2,800 men were proposed yesterday by the South Yorkshire area management of the National Coal Board.

Cortonwood colliery — the threatened closure of which was the ostensible cause of the year-long miners' strike—is one of two pits set to shut down completely in December.

Another three will be subject to severe reductions in manpower, while voluntary redundancies among men aged 55 or over are being sought at all other pits in the region.

NO 14—8/84

Mr Jack Taylor, president of the National Union of Mineworkers Yorkshire area, said he was surprised by the extent of the planned rundown. "But we knew there was going to be some price to pay for not succeeding in the dispute."

Industrial action had not been ruled out, he added. "We've got to change their mind."

The management announcement followed a series of colliery review procedure meetings also attended by representatives of the NUM and Nacods, the pit deputies' union. The proposals will now be considered individually at colliery level.

Cortonwood, the board said, should close, with a loss of 700 jobs, because there is no inland market for its coal and because of serious damage caused to the pit during the strike.

Further south, at Brookhouse, another 600 jobs are set to disappear as a result of "geological faults." Present workings are more than 5 kms from the pit bottom, leading to a working-time of only 4½ hours at the coal face.

Cortonwood, according to the board, lost £11 in the five years to March last year. Brookhouse's losses are put at £16m.

Reductions in the scale of operations at pits in Dinnington, Manvers and Wath would cost a further 750 jobs, following losses totalling £31m. The balance of 750 jobs would result from redundancies elsewhere.

Flooding and other damage during the strike led to "severe deterioration" at Dinnington, according to the board, but coal face is likely to remain open for the time being. Losses here over the five years came to £5m.

Manvers colliery is set to cut back to just two faces. Its five-year losses are estimated by the board at £26m.

Finally, production at Wath is to be cut. In spite of having recorded a marginal profit in the five years before the strike, the pit's reserves of coal are said to be limited.

Mr Harold Taylor, director of the South Yorkshire board, told yesterday's review meeting that output for the area in 1986-87 would be 6.5m tonnes.

The board said it has already received applications for voluntary redundancy from 2,300 losers in the South Yorkshire area. The review procedure this year has so far produced proposals for the loss of at least 11,000 jobs throughout the British coalfield.

● Mr Nicholas Edwards, the Welsh Secretary, yesterday rejected calls to cut by half the boards closure programme in Wales. "I feel it makes no sense at all if a pit has reached the end of its working life to pretend there is some social benefit in putting off the decision to close for a year or two," he said.

TGWU re-ballot call 'mistaken'

BY PHILIP BASSETT, LABOUR CORRESPONDENT

CALLS by both candidates in the disputed general secretaryship contest in the Transport and General Workers' Union for a repeat ballot were mistaken, according to a confidential analysis of the election prepared by a moderate group in the TGWU.

Voting in the fresh ballot—called after allegations of irregularities in last year's election—ended yesterday. The union's 9,000 branches will declare their results locally today and tomorrow, and there is considerable feeling in the union that Mr Ron Todd, the successful candidate last year, has again won.

However, the latest internal analysis of the election describes the re-ballot as "unnecessary, pointless and premature" and says: "No conceivable result for whichever candidate by whatever margin can possibly lift the cloud over the union or vindicate its reputation."

The analysis—unsigned, but distributed by a TGWU member from Runcorn, in Cheshire—appears to stem from a different grouping in the union to previous examinations of its voting and procedures. Though clearly constructed from a Right-wing viewpoint, it is remarkable for such a document in its even-handedness.

Ron Todd: Re-ballot call attacked

While it is clearly in favour of Mr George Wright, the TGWU's Wales regional secretary who has right-wing support, the document says plainly that he was "wrong to call for a re-ballot. Tactically wrong because it gave his hard-left enemies the opportunity to crucify him."

It forecasts that "Wright's union future, unlike Ron Todd's, is very much as risk," particularly if he loses the re-run, but he would also face clear difficulty with the union's left leadership even if he won.

Though it disputes Mr Todd's call for a re-ballot, calling it an "act of calculated prudence," it acknowledges it was not tactically wrong, though it is critical of him for asking in effect for a vote of confidence "masquerading as a re-ballot and run on the same discredited lines as before."

The group would instead like to to se a full, independent inquiry

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hill Samuel	§12½%
Allied Irish Bank	12½%	C. Hoare & Co.	12½%
American Express Bk.	12½%	Hongkong & Shanghai	12½%
■ Henry Ansbacher	12½%	Johnson Matthey Bkrs.	13 %
Amro Bank	12½%	Knowsley & Co. Ltd.	13½%
Associates Cap. Corp.	13 %	Lloyds Bank	12½%
Banco de Bilbao	12½%	Edward Manson & Co.	13½%
Bank Hapoalim	12½%	Meghraj & Sons Ltd.	12½%
BCCI	12½%	Midland Bank	12½%
Bank of Ireland	12½%	■ Morgan Grenfell	12½%
Bank of Cyprus	12½%	Mount-Credit Corp. Ltd.	12½%
Bank of India	12½%	National Bk. of Kuwait	12½%
Bank of Scotland	12½%	National Girobank	12½%
Banque Belge Ltd.	12½%	National Westminster	12½%
Barclays Bank	12½%	Northern Bank Ltd.	12½%
Beneficial Trust Ltd.	13½%	Norwich Gen. Trust	12½%
Brit. Bank of Mid. East	12½%	People's Trust	14 %
■ Brown Shipley	12½%	Provincial Trust Ltd.	13½%
CL Bank Nederland	12½%	R. Raphael & Sons	12½%
Canada Permanent	12½%	P. S. Refson	12½%
Cayzer Ltd.	12½%	Roxburghe Guarantee	13½%
Cedar Holdings	13 %	Royal Bank of Scotland	12½%
■ Charterhouse Japhet	12½%	Royal Trust Co. Canada	12½%
Choulartons**		■ J. Henry Schroder Wagg	12½%
Citibank NA	12½%	Standard Chartered	‖12½%
Citibank Savings	¶12½%	TCB	12½%
Clydesdale Bank	12½%	Trustee Savings Bank	12½%
C. E. Coates & Co. Ltd.	13[illegible]	United Bank of Kuwait	12½%
Comm. Bk. N. East	13 %	United Mizrahi Bank	12½%
Consolidated Credits	12[illegible]	Westpac Banking Corp.	13 %
Co-operative Bank	*12½%	Whiteaway Laidlaw	13½%
The Cyprus Popular Bk.	12½%	Williams & Glyn's	12½%
Dunbar & Co. Ltd.	12½%	Wintrust Secs. Ltd.	12½%
Duncan Lawrie	12½%	Yorkshire Bank	12½%
E. T. Trust	13 %		
Exeter Trust Ltd.	13½%		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13½%		
■ Robert Fleming & Co.	12½%		
Robert Fraser & Ptns.	13½%		
Grindlays Bank	‡12½%		
■ Guinness Mahon	12½%		
■ Hambros Bank	12½%		
Heritable & Gen. Trust	12[illegible]		

■ Members of the Accepting Houses Committee.
* 7 day deposits 9½%. 1 month 10¼%. Top Tier—£2,500+ at 3 months notice 12½%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 9½% gross.
‖ 21-day deposits over £1,000 10¼%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 9¼%.

Election procedure defended

By Raymond Hughes, Law Courts Correspondent

THE Transport and General Workers' Union yesterday denied in the High Court that there was anything sinister in its refusal to publish a branch-by-branch breakdown of ballots for a successor to Mr Moss Evans as its general secretary.

Mr Eldred Tabachnik, QC, the union's counsel, also protested that there was no evidence to support any suggestion that union officers who took the view that such information should not be disclosed "are part of some sort of deliberate conspiracy to conceal from the membership dishonesty or ballot-rigging."

The union, he asserted, had made the most strenuous efforts to see that the election was scrupulously held in accordance with the rules.

Mr Tabachnik was concluding the union's defence to a claim by one of its members, Mr Declan Hughes, a farmworker from Hawkhurst in Kent, for orders that the union make generally available detailed information about the renewed ballot and the abortive election last year.

Mr Justice Vinelott said he would give judgment next week.

Mr Simon Goldblatt, QC, for Mr Hughes, had said that, if the court accepted the union's arguments, members would be reduced to ciphers.

He suggested that according to the union's rules a member who disclosed his branch ballot result to a member of another branch would risk being disciplined. "This union has draconian powers to deal with those who disclose particulars of the union's affairs."

The undertone of the union's whole argument was that no member had any business trying to prevent fraud in elections.

If there were matters to be investigated, and members were denied access to information to satisfy themselves whether anything had gone wrong, it would be a sad page in the union's history, Mr Goldblatt said.

Secret vote settles diesel plant dispute

A PAY dispute at the Perkins diesel engine plant at Peterborough, Cambridgeshire, has been settled by secret ballot.

Union leaders were demanding an extra £15 a week, but 70 per cent of the 3,500 production workers voted toaccept a company offer which will improve wage rates by an average of £7.50 a week, plus an extra £2 a week consolidation payment based on performance.

BT union rejects link with postal workers

By David Goodhart, Labour Staff

THE long-debated proposals for merger between the biggest unions in British Telecom and its counterpart in the Post Office received a serious setback yesterday.

The annual conference of the National Communications Union, the BT union, rejected by 98,724 votes to 61,636 a strategy for amalgamation with the Post Office union, the Union of Communication Workers.

Last month the conference of the 195,000-strong UCW accepted the proposals—the culmination of several years of painstaking union rationalisation in BT and the Post Office.

A joint executive of the two unions—with authority over only a limited field—was to have been set up by the end of this year. That would have been followed by a full merger, with all BT workers in one group and all Post Office workers in another.

The move would involve the transfer of 8,000 NCU engineers in the Post Office into the merged union's postal group and the transfer of about 25,000 BT telephonists, now in the UCW, into the BT group.

Several delegates while not opposing eventual merger felt that the present plans involved moving "with unseemly haste."

● Pay talks between the Post Office and the leadership of the UCW are expected to continue next week after the corporation yesterday made no official improvement in its 4.8 per cent pay offer. Mr Alan Tuffin, UCW general secretary, has warned that failure to improve the offer could jeopardise the recently agreed new technology and working practices deal. Separate talks tieing up the loose ends of that deal are continuing.

Board changes at the Pru

Sir Alex Jarratt has been elected a non-executive director of PRUDENTIAL CORPORATION. He is chairman of Reed International, deputy chairman of Midland Bank, a director of ICI and of Smiths Industries and chancellor of the University of Birmingham. Also elected to the Prudential board was Mr F. G. Wood, as a non-executive director, and Mr D. E. Fellows, Mr J. A. Freeman and Mr B. Medhurst, as executive directors.

Mr D. M. C. Donald, Mr E. P. Hatchett, and Sir John Hogg, all retired as directors. Sir Ronald Owen also retired from the board and has been appointed president of the corporation.

As reported on March 27 Lord Carr, having completed his term of office as chairman of the corporation, is succeeded by Lord Hunt. Lord Carr remains a director. Mr Ronald S. Skerman becomes a joint deputy chairman with Mr Peter E. Moody.

*

John Laing's new chairman

Mr J. M. K. (Martin) Laing has been appointed chairman of JOHN LAING. After two years with Jones Lang Wootton he joined the Laing Group in 1966 working in Yorkshire with the Laing Development Company. He worked abroad for the company in Canada, Saudi Arabia and Egypt, and was appointed deputy chairman of the Laing Group in November, 1984.

*

HIGHFIELD GEARS HOLDINGS, Huddersfield, has appointed Mr Tim Parker of TJP Management, Altrincham, as a non-executive director.

*

The STAMPTON GROUP has elected Mr David Leaver as financial director. He was company secretary. Mr Derek Maskell becomes sales director.

*

The SCOTTISH EXHIBITION CENTRE has appointed Ms Gill Saunders as financial manager and company secretary. She has also been appointed director of the two subsidiary companies Scottish Exhibition and Conference Centre and SEC Exhibitions. She was accountant (UK) at General Accident Fire and Life Assurance Corp.

*

Mr John Mawhinney has been appointed chief operations officer of TRIDENT LIFE ASSURANCE CO. He joined in August 1984 as deputy managing director. Trident Life is a subsidiary of the Imperial Life Company of Canada which is a member of the Laurentian Group.

*

Mr Nigel Gilson has been elected chairman of the METAL PACKAGING MANUFACTURERS ASSOCIATION succeeding Mr Richard Stanley. Mr Gilson has been chief executive of UK packaging operations at Metal Box since 1983. The new deputy chairman, Mr Don Crosby, has been managing director of Francis Packaging for seven years. He succeeds Mr Arthur Church. Honorary treasurer Mr David Morgan takes over from Mr Denis Wilkinson of William Say and Co. Mr Morgan is with Avon Tin Printers.

*

Mr Gerry Cowan has been appointed director of DUCKHAMS new planning and marketing division. Creation of the division is of significance to both Duckhams and to parent company BP. Apart from providing marketing services for Duckhams own retail range of lubricants, the division will have responsibility for BP's retail line-up, giving the group control of around 25 per cent of the retail market. Mr Cowan was BP network marketing manager.

*

Mr Patrick Shovelton has been appointed a non-executive director of THE MAERSK COMPANY. He was until recently director-general of the general council of British Shipping and before that deputy secretary (shipping and civil aviation) of the Department of Trade. He is also a director of the British Airports Authority.

*

CITIBANK SAVINGS, UK consumer banking and financial services arm of Citicorp, has appointed Mr Anthony M. Lee as managing director. He joined in 1982 and in his previous role as business development director, was responsible for the consumer business strategy for Citibank in the UK. Mr Jeff Goodwin has been appointed to the board of Citibank Financial Trust as consumer finance director. He joins from Mercantile Credit where he was area director. Two other appointments to the board of Citibank Trust have been made. Mr Eric Mahoney becomes retail banking director, while Mr Mike Jackson is made customer services director.

*

We have been requested to point out that Mr Jeffery Bowman is the senior partner of PRICE WATERHOUSE in the UK, and that Mr Alan Whealley is the partner-in-charge of the London office of Price Waterhouse.

*

Mr David Jamieson has been elected to the board of JOHN FINLAN and appointed joint managing director. He was previously a director of Skybridge Holdings, acquired by Finlan last November, and executive vice president (corporate development) of Arabian Homes, Jeddah.

*

Sir Eric Sharp has been appointed president of the SINO-BRITISH TRADE COUNCIL for three years from July 1. He will succeed Sir Peter Mathews. Sir Eric has been chairman of Cable and Wireless since 1980 and its chief executive since 1981. He is also a member of the Central Electricity Generating Board. He was a member of Lord Young's mission to China in March.

*

Dr Peter R. Howard has been appointed a non-executive director of ERA TECHNOLOGY, Leatherhead. He was director-general of the Central Electricity Generating Board's transmission and technical services division until his retirement at the end of March.

*

Mr Frank Rogers, chairman of East Midland Allied Press, has joined the council of the ADVERTISING STANDARDS AUTHORITY.

*

Mr H. Deguchi, general manager of the SUMITOMO TRUST AND BANKING COMPANY, London branch, is returning to Tokyo, on being appointed a director of the bank and general manager of the capital market department. Mr N. Fukada, who has been managing director of Sumitomo Trust International will succeed Mr Deguchi. Mr M. Tsubonoya, who has been deputy managing director of Sumitomo Trust International, becomes managing director. Mr H. Ohashi has been appointed general manager of the New York branch of the bank, succeeding Mr A. Takabashi who will be returning to Tokyo. Mr K. Kawasaki has been appointed managing director of Sumitomo Trust Finance (HK), succeeding Mr K. Hori who will be returning to Tokyo from Hong Kong. All these appointments are from June 28.

*

Norwich Union Fire Insurance Society general manager Mr Allan Bridgewater has been appointed chairman of the insurance industry's MOTOR REPAIR RESEARCH CENTRE at Thatcham, Berkshire, which looks at the effects of crashes on the various parts of vehicles and to improve repair efficiency.

*

STORNO, Camberley, manufacturer of radio communications systems, has appointed Mr Roger Hickman as director of operations. He was divisional manager of Granger Associates. At Storno he will be responsible for purchasing and production, systems engineering and project management.

*

BREWIN DOLPHIN AND CO. stockbrokers, has admitted Mr D. J. Gates, Mr S. R. H. Hosford and Mr D. C. Thompson to the partnership. Mr Norman Mitchell is retiring but will remain an associate.

*

The FRIZZELL GROUP has appointed Mr Nigel Olsen as a non-executive director. He represents the interests of Investors in Industry and replaces its previous director, Mr David Marlow.

*

Mr Bert Morris has been appointed general manager of NATIONAL WESTMINSTER BANK'S management services division, succeeding Mr Gordon Reece, who retires at the end of October.

*

Mr John Thomson has been appointed chairman of LONDON AND MANCHESTER GROUP on the retirement of Mr H. L. K. Browne.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Saturday June 8 1985

Chinese curse on the City

BRITAIN'S financial services industry is "suffering from the ancient Chinese curse of living in interesting times." That, at least, is the colourful claim of Mr Ian Stewart, Economic Secretary to the Treasury, who on Thursday addressed the annual conference of the Building Societies Association in Eastbourne. Mr Stewart was explaining the full extent of the Chinese curse — the way that Government legislation planned for the next parliamentary session will make life more interesting for the societies.

The once sleepy societies will shortly be confronted with a forest of new financial opportunities — most of which the larger BSA members have been impatiently demanding for some time. The Government is going further than seemed likely when the building society Green Paper was issued last July. It is taking another big step to facilitate the eventual creation of integrated financial supermarkets in the UK.

Under Mr Stewart's proposals building societies will be able to become estate agents, insurance brokers, land developers, stockbrokers, provide money transmission and foreign currency services and indulge in high-risk unsecured lending — provided they meet certain size criteria.

High-risk lending

They will be able to transform themselves into public limited companies, engage in takeovers and set up shop in other EEC countries. If nothing else, Mr Stewart's Chinese curse will necessitate rapid construction of a whole range of weatherproof and sturdy Chinese walls: the new opportunities for diversification will also create new conflicts of interest, the bête noire of financial supermarkets.

Deregulation will mean new risks as well as new opportunities. Mr Stewart took care to point out that in the U.S. some savings and loan institutions have used their new powers "recklessly": far from solving their problems diversification only compounded them. The American experience may be a cautionary one but it has to be said that most of the U.S. problems have resulted from interest rate deregulation—the problem of financing fixed rate mortgages at sky-high market rates. UK societies face no such adjustment: variable rate mortgages have existed as long as the societies themselves.

More important, perhaps, the regulation and supervision of big societies will become much more taxing as they take on new roles. As these societies become *increasingly close* substitutes for banks and encroach on insurance, securities and commercial lending business, is it right that they should remain under the wing of the Chief Registrar of Friendly Societies?

Supervision of increasingly similar financial conglomerates may become unnecessarily fragmented. Whether institutions fall under the primary jurisdiction of the new Securities and Investments Board, the Bank of England or the Registrar will be a matter mainly of history. The fact that three separate regulators may need to take an interest in some of the activities of the big societies may be more a source of confusion than grounds for confidence.

If building societies seemed to be squaring up for life in the 21st century this week, the same could not be said for certain members of the London Stock Exchange. Sir Nicholas Goodison, the Exchange chairman, may have felt he was the victim of a particularly virulent Chinese curse on Wednesday when Luddite members failed to give the necessary backing to his call for constitutional reforms.

Partners of small broking firms scuppered his plan to shift the ownership and control of the Exchange from individual members to firms. Although a change might have weakened the ability of small firms influence the Exchange's ruling council, the rebellion has been written off as sheer obduracy on the part of those whose have not yet gained much financially from the City revolution.

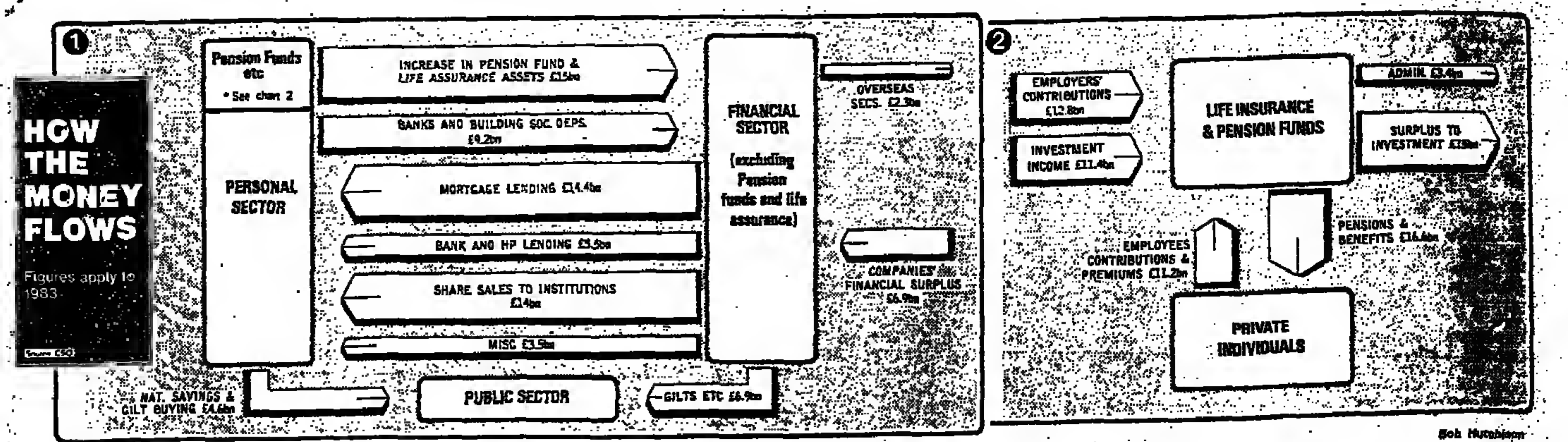
Although the key motion allowing outsiders to buy full control of member firms was passed, the failure of the constitutional amendment has sent ripples of alarm around the City. There are fears that without corporate proprietorship, the Council's ability to sustain a strong central British securities market will be impaired. These fears are probably overstated: after all, the New York Stock Exchange manages well enough on the basis of individual membership.

Recalcitrant

However, New York still retains a distinct advantage: there is a market in Exchange seats which greatly facilitates entry and the transfer of membership. The fact that seats are nominally owned by individuals is not a great hindrance—they are effectively owned by the firms behind the individuals.

Without an asset owned by anybody which can change hands, entry to the London market remains problematic, at least for those who do not wish to buy existing firms outright. More pressure needs to be put on recalcitrant members to end this uncertainty. With the constitutional vote out of the way, could not the Council threaten to let outsiders again form new firms around existing individual members without paying any explicit entry fee?

AFTER THE GREEN PAPER



Will pensioners be freed or robbed?

By Anthony Harris

THE PENSIONS revolution announced this week by Mr Norman Fowler has been greeted as a major extension of private choice on the right, and as robbery on the left.

It has already caused a large jump in the share value of the life assurance companies, which can certainly expect a decent cut of the business of providing for the millions of workers — some 11m of them in the end, on present trends — who would previously have expected to rely on the state scheme for earnings-related supplementary pensions.

The Government claims that the change was in any case necessary to cut future public spending. The Government's official advisers are, more quietly, warning Ministers that it will have a major deflationary impact on the economy.

The change, in short, raises some pretty fundamental questions. Will pensioners be freed or robbed? Will the economy be liberated from a burden of public spending, or depressed by reduced consumer demand? And since a rather large number of pensioners will be drawing pensions 50 years from now, just who will be paying them?

The Government claims the change was necessary

Perhaps the simplest way to start on this series of questions is to adopt the same starting point as the Institute for Fiscal Studies, which strongly favours the change, and claims that the 4 per cent compulsory contributions suggested in the White Paper (2 per cent each from worker and employer) would buy the same rights as Serps, the state scheme, would promise.

There can be some argument about the adequacy of the sum (most actuaries would be inclined to pitch it higher), but none about one fact: the only investment on the market at the moment which can be used to support a guaranteed indexed pension is the Government's own indexed debt. The IFS, indeed, simply assumed that workers would accumulate indexed gilts, and convert on retirement to an indexed annuity.

This is all very well as a back-of-the-envelope calculation, but it does make one rather *strong implicit assumption*: that the Government would issue enough indexed gilts to float such a scheme. This would mean an annual issue rising to some £6bn annually at today's values by the turn of the century, and an ultimate indexed obligation equivalent to the whole of the present national debt. It would also mean that the whole burden of paying these pensions 50 years hence would still fall on the taxpayer; and since we are discussing an equivalent pension, the burden would be exactly the same as the one which Mr Fowler seeks to shift to the private sector.

In this limiting case, then, the revolution seems to disappear into a rather complicated piece of book-keeping. This is actually an over-simplification. The funded scheme would still involve higher contributions in the near future and lower ones later than the Serps scheme, which would deflate demand a little in the near term and reflate it later. In addition, the administrative costs (we will come to them) would certainly be much higher. In short, a change for the worse.

This limiting case is worth considering not because it is likely to happen—it isn't—but because it gives us a yardstick by which to judge the probable gainers and losers from a likelier pattern of response to the new freedom. The taxpayer will benefit only so far as pension funds rely on the private sector or on overseas investments to produce their future income, rather than on UK governmental debt; or if fund managers go for the much higher nominal yield on ordinary gilts and are cheated, as in the past, by future inflation.

In short, either the taxpayer will still foot the bill; or company profits and rents will provide the pensions; or the burden will be cut at the expense of the pensioners themselves. The likely outcome, if one were simply betting on it, is a bit of all three.

With this background, we can turn to consider the markets which will actually handle the rather large sums which Mr Fowler plans to liberate—£2-3bn annually by 1990, rising to nearly twice that in today's values as the remaining Serps beneficiaries retire; and to more again if people decide to save more than the 2 per cent of income which will be compulsory.

The main flows of money between the markets on the one hand, and private individuals (together with the pension funds and life assurance funds which hold savings on their behalf) are shown in the diagram. The figures are for 1983, which is a pity, but these statistics take a long time to collate. The first half of the chart (chart one) shows that private individuals collectively put more into the markets than they take out — they are net savers. In the second half (chart two) the flows do balance, allowing for rounding; what goes in comes out somewhere.

This is not the usual way of looking at the markets, but it is in some ways rather instructive. First, it is a reminder of the huge extent to which the market passes funds between different members of the same group — between savers and borrowers among private individuals, and equally (as could be shown in a similar chart) between companies. The net overspill of long-term funds into other sectors is relatively tiny—and the Government takes the lion's share of it through gilts and national savings.

The second important point which is hinted at (see the lower right-hand arrow in the first chart) is that the markets are not, except by accident, a pipeline through which savings are fed into industrial expansion. Indeed, as this arrow shows, the net flow can be the other way. In 1983, as in many other years, companies put more money into the markets—by way of cash bids, funds like the GEC gilts mountain, or just bank deposits—than they took out.

Without tighter regulation on costs and commissions, the new pensioners look like getting poor value for money

The illusion that investment in financial markets somehow causes investment in production is very widespread—Karl Marx believed it just as firmly as the right-wing believers in the virtues of funding, or the Labour party agitators for exchange controls; but, to quote Gershwin, it ain't necessarily so. Indeed, according to the conclusions reached after a long high-level academic debate in the U.S., there is no link at all between the funding of pensions and investment by industry in productive plant.

All the same, what goes in must come out, as the second part of the chart shows. Where will the Fowler contributions go? Before we get to the big flows, it is worth considering the top right-hand arrow on the second chart—administrative costs.

This may not look very impressive, but it is really an acute embarrassment for the insurance and pensions industry; for it shows that in the existing, mature industry, these costs took about a tenth of total cash flow, and no less than a fifth of what was actually paid out in pensions. This compares with a cost of a little over 1 per cent for the State scheme.

This money does not all stick to the fingers of the top-hatted City gentlemen of the cartoons; the Government takes a share by way of stamp duty and other taxes. All the same, stock market margins and commissions, and the much higher margins and commissions charged by insurance brokers, account for an awful lot; and this, mind you, is the average for the whole industry, including some huge and excellently managed corporate schemes with tightly controlled costs.

A retired, but evidently penitent director of a highly respectable mass-market individual life and pension enterprise tells me that the costs and commissions for small and individual schemes, could he reveal them, would make my remaining hair stand on end.

Since the employers contracted into Serps are mainly small enterprises or, like builders, employers of casual labour who cannot set up corporate schemes, the Fowler reforms will increase the proportion of small and individual schemes sharply. It would be comforting to think that there was some thought of tighter regulation, to back a general faith in competition, to prevent the expense ratio rising equally sharply; otherwise the new pensioners look like getting very poor value for money.

We are still left, though, with 90 per cent or so of the new contributions which will be invested somewhere. The destination of these funds—and thus the distribution of the future pensions burden—will depend both on the kind of future promise which pensioners are trying to buy, and by the economic effect of their saving and financial investment.

If U.S. experience is any guide, savers given a choice will opt mainly for pension and life insurance schemes promising a known sum of money in the future. British experience of inflation may make savers more wary about the value of future money; but such policies are the easiest to sell.

If that is the pattern which emerges here, the main effect of the reform will be to drive up the demand for sterling bonds—nearly all gilts. It will also drive up the supply to some extent—much of the recent argument between Mr Fowler and the Treasury has been about the fact that his proposals will cut Government revenue so that more funding will be needed—but it does not seem likely to be on the same scale. So the Fowler reforms might actually cut public spending by driving down the yield on gilts, and thus the public expenditure bill for debt service.

There are sharp limits to this effect, though — indeed, stock market theorists, who claim that prices are determined by all the present known facts in the world market, would say that an extra billion or so of investment demand will shift prices only enough to persuade existing holders to sell.

The same theory explains why extra money in the markets will not make capital noticeably cheaper for industry, by the way.

If exchange controls came back, the picture would be somewhat different, since money withdrawn by existing holders could not be switched overseas direct, but would have to go into consumption, or perhaps property and works of art.

It is certainly less than a revolution

We can now suggest some tentative conclusions. If the market theorists are right, the expansion of contractual saving by 20 per cent or so will go partly into extra Government borrowing (probably well over half), some into overseas investment, all too much into profits for the City, and some into spending by existing investors.

It could deliver better pensions, but since the private sector starts with a heavy cost handicap, the chances seem against it. It is certainly much less than a revolution; whether it is worth doing, to escape some expensive promises to the future retired, is something only those yet unborn, who will carry the eventual financial or moral burden, could judge.

Man in the News

Norman Fowler

The man from middle England

By Malcolm Rutherford

MR PETER WALKER, the Energy Secretary, was musing the other day about the members of the Cabinet of whom he approved. Some of them were obvious: Mr Michael Heseltine, the Defence Secretary, Viscount Whitelaw, Lord Hailsham, the Scottish and Welsh Secretaries, Mr George Younger and Mr Nicholas Edwards respectively.

Then, he said, there is Norman Fowler. He is a man you can talk to — someone in the middle who does not take sides — and who listens.

Norman Fowler, the Secretary of State for Social Services who produced his green paper on proposed reforms on Monday, has had a very good week. Indeed he has had a very good few years ever since 1979.

He was Minister of Transport —outside the Cabinet—in Mrs Thatcher's first administration. In 1981 she made him Secretary of State for Transport and thus put him inside the Cabinet. Later that year she gave him his present job which he seems destined to hold for some time, if only to put the reform of social security through the next parliamentary session.

Perhaps only Leon Brittan, the Home Secretary and a contemporary, and the rather older Nigel Lawson, the Chancellor of the Exchequer, have risen as fast in the Conservative hierarchy.

Fowler and Brittan have always been rivals. They were at Cambridge together. In the 1960s they chased each other round the country seeking selection as Tory candidates. Fowler was vice-chairman of the Conservative Association in North Kensington, a seat which Brittan contested unsuccessfully. In Nottingham South before the general election of 1970 there was a short list of two: Brittan and Fowler. Fowler won, although the local party commented at the time that it was pretty odd that both young thrusting Conservatives should be bachelors. His first marriage took place not long afterwards.

After the general election of 1983 Brittan was surprised, pleased and relieved to be told that he rather than Fowler was to become Home Secretary. Fowler had long had his eyes on the job, and had the qualification of being home affairs correspondent of The Times for much of the 1960s.

He does not deny that the Home Office had been his consuming ambition for years. That is now changing. He thinks that it is a bit too full of banana skins, though Brittan so far has managed to avoid them. His sights are turning towards the Department of Trade and Industry, but he accepts the probability that he will have to stay at Social Services for a while.

His relations with Chancellor Lawson have been none too good. That is perhaps not surprising in that Fowler is a doer and Lawson is a thinker who acts, if he really has to, only at the last minute.

It was not an ideal combination for the *conducting* of the social security review. Fowler wanted to reform, to simplify and to channel help to where it is needed most. The Chancellor wanted to save money. Those differences have not yet been resolved despite the long internal arguments that began before this year's budget. Note the absence of figures in the green paper.

The people Fowler admires in the Tory Party are an odd bunch: Butler, Sir Keith Joseph and—"to some extent" —Sir Geoffrey Howe. He is one of the few Tories not to hark back to Iain Macleod whom he says he remembers as being mainly concerned with colonial policy, in which Fowler had no interest.

Peter Walker's comment about him being someone in the middle is apt. *Fowler says* that he identifies himself with middle England, the centre. (His constituency since 1974 has been Sutton Coldfield). He wants a party that is radical in industrial and economic policy. *He is very strong* on privatisation, indeed partly pioneered it through his proposals on the National Freight *Corporation* when *he* was in opposition. But he also wants the social concern: hence the Fowler review.

What he likes most, he says, is to be presented with a situation, to be able to look at it, diagnose and make it better. It *is a question of grasping* where the potential for reform is. That, he claims, is the real enjoyment of politics.

He is very insistent, too, on maintaining a team: "people who speak the same language and who get on together." He has done that with Kenneth Clarke, Antony Newton and John Patten, though he expects that Clarke, the Health Minister, will be shortly moving on to higher things. Newton, one of his other junior ministers is very much a rising star.

One of Fowler's contributions to Tory thinking when the party was in opposition was a pamphlet on transport policy called *The Right Track*, overshadowed at the time by such broader documents as *The Right Approach*. But the tenacity with which he stuck to it was noticeable even then. It is also striking what a key department transport has turned out to be in Mrs Thatcher's Government. It made Fowler, saw the end of David Howell, and this week brought Nicholas Ridley into his own with his white paper on airports policy.

In 1979, the year of the Tory victory, Fowler was on the right track in another way. He remarried. His marriage to Fiona, he says, had a profound effect, giving him a stability he had never had before.

By an extraordinary coincidence I then sat next to his ex-wife at dinner. She agreed. Ever since his second marriage he had been a completely different man. He had been very *good at games at school*, then became determined to go into politics while doing national service and become Home Secretary. *He* matured and became a much more stable person when he was 40. He is now 47.

A personal view of airports

AN AIRPORT is no place in which to spend more time than is absolutely necessary, no matter how attractive the owners and operators may try to make it.

It is, after all, no more than a gateway, the link through which all air travellers must pass. And to be trapped in any airport because of bad weather, technical faults or airline incompetence (yes, it does exist, despite all those glamorous, colourful self-adulatory advertisements) is a frustrating experience.

To be fair, most airport owners and operators, especially in Europe and North America, recognise the problems (many of their counterparts in other parts of the world, especially Africa and the Middle East, do not), and they try to make their airports as comfortable as they can. But some try harder than others.

Even Heathrow, well down my list of airports to be avoided if possible (I prefer Gatwick, and not just because I live near it) is not so bad as many paint it. The existing terminals may be congested, but the airport as a whole (I have some reservations) is efficient, and one does not experience those appalling queues for take-off that seem endemic to many major U.S. airports.

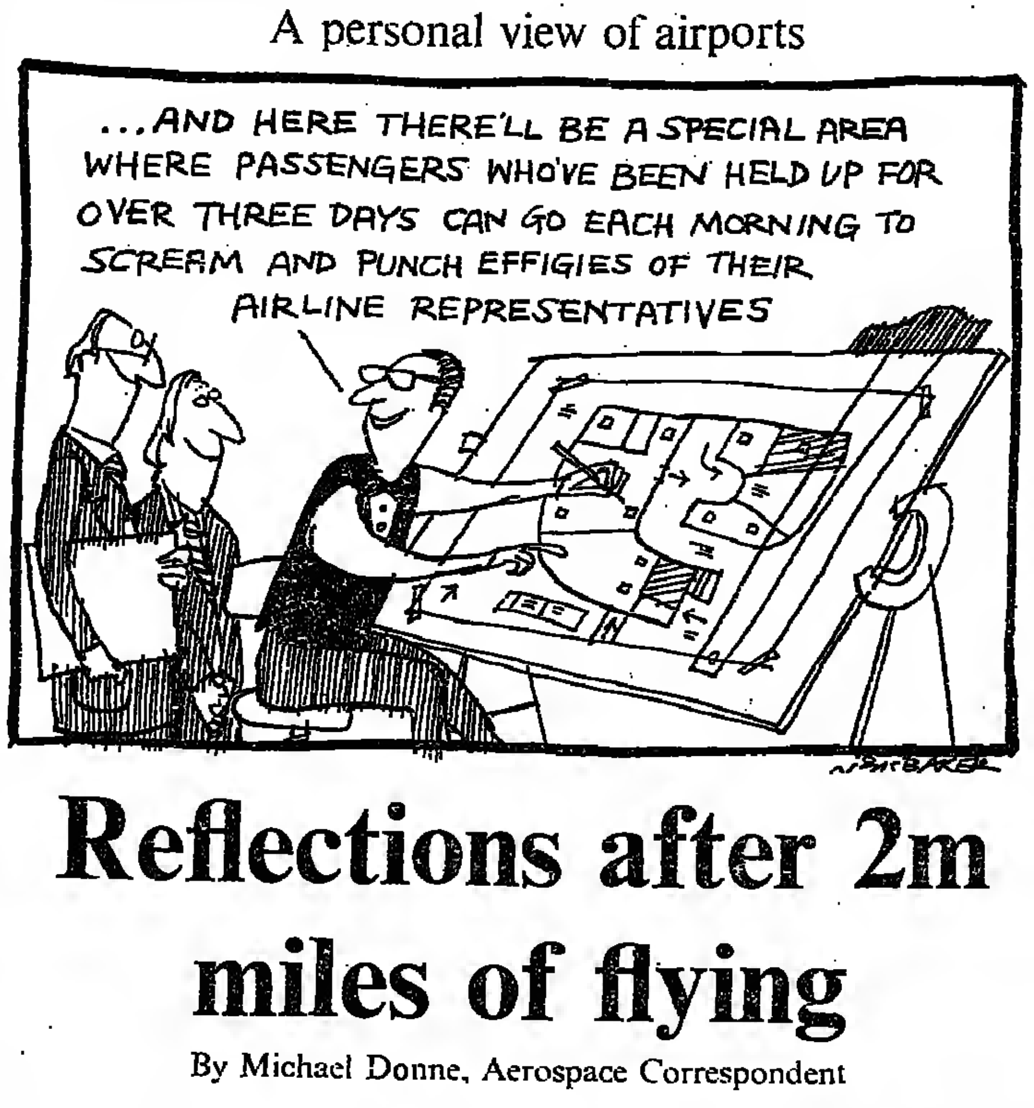
Every airport is only as good as its encumbent employees make it—Customs officials, porters, check-in staff, and those curious creatures who wander round with clipboards in their hands, accosting hurrying travellers to ask them banal and sometimes impertinent questions. In every airport, too, sooner or later the traveller will meet the bear with a sore head whose aim in life appears to be to ruin as many travellers days as he can.

There is no doubt, however, that airport design and operation is improving. Take the original terminal building at Heathrow, now designated Terminal Two but the first to

Gatwick is preferable to Heathrow

be built in the central area in the early 1950s. When it opened, it was the wonder of the early post-war civil aviation era, the apogee of civil engineering and architectural achievement in aviation. Today, by comparison with later developments, it is congested, claustrophobic, noisy and uncomfortable. The passengers' standards have moved on, the terminal has not.

Terminal Three for long-hauls is not much better. Fighting one's way through the wailers crowding the bottleneck entry to the outbound passport control, or through the milling throng of meeters and greeters on arrival, requires courage, for one's fellow creatures matched only by that of some airport employees.



Reflections after 2m miles of flying

By Michael Donne, Aerospace Correspondent

By contrast, the new Terminal Four at Heathrow should make amends, when it becomes operational early next year. On a recent preliminary reconnaissance, I found it spacious, even cavarnous, and one has high hopes for it. At Gatwick, too, the BAA has already done much—the circular satellite terminal, reached by that fascinating automatic People Mover, is spacious and gracious, the model of what a small terminal should be, and one hopes that Terminal Two at Gatwick, now under construction, will offer similar delights. But Gatwick is preferable to Heathrow: its atmosphere is calmer, even on the busiest of days; its staff seem less stressed, and its overall ambience is more pleasing, perhaps because it is set in greener surroundings.

Moreover, in the longer term, the BAA has some innovative design ideas for Stansted's new terminal, which it claims will be the most advanced in the world (precisely how it does not say), but which it hopes will enhance its reputation for airport design. I hope that proves to be true, for the opportunity is unsurpassed. Stansted, too, with its so far virtually untapped runway capacity (capable of 25m passengers a year but handling only half a million) will be a joy to airlines and passengers accustomed to more crowded airports.

In many other countries over the past 40 years, airport designs have been used widely as flauting grounds for architectural fantasies that pay scant attention to passenger comfort. The TWA terminal at Kennedy, New York, shaped like a soaring bird with spreading wings, may be an architect's dream come true, but inside I find it gloomy and confusing. I prefer the simple, uncluttered style of the British Airways terminal at Kennedy, or that of United Airlines, designed to cope with large numbers of travellers smoothly, flexibly and swiftly.

Indeed, many new airports in the U.S. are now combining elegance in design with functional convenience — Atlanta is an example — which surely should be the ambition of all airport designers. But given the fact that air transport grows inexorably, it is probable that no single airport terminal, no matter how advanced it may be on completion, can survive the pressures of that growth.

An example is that curious, circular Aerogare One at Charles de Gaulle, Paris, which was exciting when it opened in the 1960s, with its springy travolators soaring up slanting glass tubes with their connotations of the space age. I like it still, despite the congestion which has led to the development of Aerogare Two, a reversion to the linear concept of terminals on either side of a central access road. Aerogare Two is designed to ensure the least possible waste of time between aeroplane and street, and vice versa, but I find it too cramped, and in peak periods it can be just as claustrophobic as Terminal Two at Heathrow. Still, it is modern, and perhaps one should be grateful for that.

Some of the worst airports I have encountered are in Africa, the Middle East and India. Dakar is to be avoided, and I shudder at the shambles of Lagos, while the international departure terminal at New Delhi is the modern-day equivalent of the Black Hole of Calcutta.

Among those I like most, I find the new airport at Riyadh vast, but refreshingly different architecturally, and reasonably efficient. Dubai, too, for a brief transit stop en route between Europe and South-East Asia is not unpleasant, but I would not want to be trapped there for long. In the Far East, although it is a long way out of Tokyo and therefore inconvenient, I have found Narita itself clean, bright, comfortable and efficient.

But, of them all—and I have suffered, enjoyed even delighted in some hundreds over the past 30 years and close to 2m miles of flying—I have found the new Changi Airport, in Singapore, the best. Although well out of the city, nowhere is really very far from anywhere in Singapore, and for me Changi has it all—comfort, elegance, graciousness, and cool air-conditioning.

Moreover, I find Changi efficient, even if only in a cool, dispassionate manner, and when problems do arise, they do seem to get sorted out. If all airports were like Changi, air travel would be revolutionised.

That is too much to hope for, but the airport designers are learning fast. Their palaces of marble, steel, plate glass and plastic seats are being made brighter, with greater use of colour, and one senses that even the staff in such places are more helpful and cheerful than in the filthy sweatshops that pass for airports in some parts of the world.

Out of the \$80bn that is expected to be spent on world airport developments up to the end of this century, we can hope for at least some that will combine all that the traveller needs — comfort, convenience and efficiency, with adequate facilities (such as cheap beds, and showers) to cater for those unfortunate enough to be caught against their will inside them for more than two or three hours, and especially overnight.

A shudder at the shambles of Lagos

Having said all that, I confess that I still like airports, because I like flying, and aviation is my working life. And, after all, any airport, with its open door to the world, is preferable to the cold, draughty dreariness of the average commuter railway station.

New York hotel strike

Why accountants are manning the lifts . . .

By William Hall in New York

THE AMERICAN Association for the Study of Headaches may have a problem. Next week 300 of its supporters should be discussing migraines by day and hitting New York's high spots by night.

But as anyone who has just been to New York will know, it may not be so easy. For the first time since the 1930s, the bulk of the hired help at New York's best hotels has walked out. For the past week hundreds of thousands of hotel guests have been making their own beds, carrying their own bags and emptying their own ash trays.

Some 16,000 bell hops, housekeepers, bartenders, kitchen staff and other lowly paid personnel went on strike on June 1 and have been noisily picketing more than 50 of New York's best known hostelries. Unless peace is declared shortly, another 6,000 workers at the rest of the major hotels will be called out, and there are fears that violence could erupt on the picket line.

The strike comes at one of the busiest times for New York's \$2bn-a-year tourist industry. Over the next few months more than ½m visitors a week will be looking for a bed for the night in the city's 165 hotels.

The stakes are high for both sides in the dispute. Las Vegas lost \$1m a day during its bitter, and sometimes violent, three-month hotel strike last year. If the current dispute were to drag on, the losses in New York would be far higher and already the city elders are muttering about the heavy costs of policing the picket lines.

While the hotels are under pressure to settle quickly, the strikers are also under no illusion about the risks they face. At a time when organised labour is in full retreat in most parts of the U.S., New York hotel workers are digging in their heels. They are one of the most heavily unionised groups in the country and among the most resistant to change.

On the surface, the strike is about a difference of two percentage points on the rate of annual increase in the average wage of \$315 a week. But the owners are also pressing for major concessions—such as a two-tier wage structure—and have backed this up by hiring almost 3,000 temporary workers in the first few days of the strike.

Mr Vito Pitta, the 58-year-old president of the New York Hotel and Motel Trades Council, representing New York's 25,000 hotel workers, is convinced that the city's hotel owners, led by the large chains such as Hilton, Sheraton and Westin, are out to break the union.

"It is not an economic strike. They are making plenty of money and can afford to give the increases we are asking for. They obviously have something else in mind," says Mr Pitta, who started as a busboy at the Plaza Hotel 30 years ago.

While the service at New York hotels has rarely matched that of the finer European hotels, it has generally been possible to get served. This week it has been much more difficult.

All of the hotels have remained open for business but the strike has hit some harder than others. The Pierre, where bankers Edmond Safra and Michael Sindona used to stay,

There are fears of violence erupting on the picket line

has suspended room service, but says everything is running normally. Its managers are removing the garbage and making sure the flowers are fresh in its \$1,100 a night suites.

At the Plaza, the union musicians have stopped playing in the Palm Court and some restaurants have closed. Uptown at the Carlyle, from where the late J. F. Kennedy used to slip out to meet Marilyn Monroe, they have shut the bar but accountants and clerks are manning the elevators. Some of the larger and cheaper hotels, owned by big chains, have not been able to keep up such a brave face.

The New York hotel business has been booming over the last year or two. Hotel occupancy rates have risen from 69 per cent in 1982 to 74 per cent last year. Hotel prices rose by 15 per cent in 1984 and although occupancy rates are down by a couple of percentage points in the current year, the New York tourist industry should come close to matching its 1979 peak when 17.5m visitors hit town.

This week's hotel strike was not a spur of the moment decision. The two sides have been negotiating a new multi-year labour agreement for the last 14 months. Although the hotel workers have traditionally been among the most docile of the city's unions, they have lately become more militant.

Part of the reason is that the New York hotel industry is prospering while union morale has been bolstered by successful hotel workers' strikes in San Francisco and Las Vegas over the last two years.

New York's hotel owners argue that the current boom is temporary. The number of hotel rooms in the city has been declining and operating costs have been rising rapidly. It costs between \$200,000 and \$300,000 a room to put up a new hotel in New York these days, says Mr Stephen Brener, a local hotel consultant.

As a result the city's average room rate of \$90 a night is 15 per cent higher than that in Boston, the second most expensive city in the U.S., New York city hotels are losing business to non-union hotels in the suburbs.

"The main thing the owners are trying to do is to get work rules you can live with in the 1990s rather than in the 1940s," says Mr Brener. He says that the increasing computerisation of hotel operations has not been matched by more flexible manning arrangements.

Unlike workers in the U.S. steel industry or the automotive industry, U.S. hotel workers are shielded from overseas competition. But as with aviation and other U.S. service industries, employers in the service sector appear intent on breaking the grip of the unions.

The U.S. hotel business is dominated by powerful figures such as Barron Hilton and Bill Marriott, who have been running their U.S. hotel chains for many years, and by the subsidiaries of major companies like ITT. The settlement of the New York hotel workers' strike is likely to set the tone of wage bargaining in the industry for some time to come.

Letters to the Editor

Faster runners needed

From Mr C. Ryland.

Sir,—As I live in East Africa, the home of the cleft stick, my grim experience may be of use when the time comes to sell off British Gas, etc.

In spite of vast advertising forays by British Telecom and abundant advice, no arrangements at all were made to assist such as myself. In early October I started my campaign. After 50 years of reading your paper I am fairly experienced. I bombarded all and sundry.

To a man/woman they all replied. Only my bank manager and my broker replied by airmail. The remainder arrived in January. Nothing daunted, I placed a 24-hour watch on my newsagent and obtained an FT for the relevant Tuesday two days later. I completed the application, avoiding all the pitfalls (were they deliberate?). Mirabile dictu, ultimately I received 800 shares. Naturally I knew nothing of this at the time but my bank manager informed me that my cheque for £2,000 had been presented. I settled down to wait for the runner from Europe. He arrived in April, via a container ship, with my refund for £1,600 dated December 10. Four months free use of my money by BT; also the allotment letter. So far so good.

I have before me the May 25 issue of Weekend FT. Naturally I have not waited for this, but have sent off my cheque for £320. To whom, you ask? If in doubt, it is said, I should ask the Chief Registrar at Goring-on-Sea. On present form I would get his reply in September. BT eschews anything nasty and swift moving like an aircraft. After £12m or somesuch on advertising surely it could afford the cost of an airletter.

So the next instalment of the Perils of Pauline finds me at the cliff edge scanning the horizon for a sail or a funnel.

C. L. Ryland,
PO Box 17000,
Vipingo, via Mombasa,
Kenya.

Two-day cable

From Mr A. Davies

Sir,—Having lived in Africa for a long time and returned to live in England only a few years ago I was under the impression that one could still send messages fast around the world by cable. To my disgust the other day I received an international telegram from Nairobi — correctly addressed — that took only 17 minutes to reach Britain but another two days from Birmingham to Devon by post! Why call it a telegram? A service to be avoided. How our postal and telegraph services have deteriorated.

Arthur Davies,
St Petroc,
North Road,
Yelverton, Devon.

Have a happy holiday

From Mr J. Martin

Sir,—Your cartoon of June 3 draws attention to anomalies in the British bank holiday system. These will be even more apparent in the year 2000 (when most people will wrongly be celebrating the first year of the new millenium!) In that year Easter Sunday falls on April 23 and as a result there will follow two successive bank holiday Mondays: April 24 and May 1, May Day being celebrated on the correct date for a change. In 2000 also, Christmas Day is a Monday and it follows that New Year's Day is likewise. Thus we shall have public holidays on two successive Mondays again. It is perhaps appropriate that the very first day of the 21st century will be a Bank Holiday Monday!

John F. Martin,
57 Tycehurst Hill,
Loughton, Essex.

Food for thought

From Mr D. Burgoyne

Sir,—Lucy Kellaway's USM article "Food for thought as profits dip" (Weekend FT, June 1) was a timely reminder that unsuccessful applicants for new issues such as Wold are not necessarily losers.

Had I successfully ballotted for this 32-times-oversubscribed issue I would have received only 100 shares (£95) instead of the 500 applied for. Since the price fluctuated between 115p and the 100p at which it ended first day's dealings compared with the 95p offer price early sellers would have made a loss, because the costs would have amounted to £15 or £20 probably. As a new issue buff I have long held the view that allocations should be sufficiently high (say £300 or £400 minimum) to reflect current values and in turn hopefully minimise any loss incurred through selling expenses which could be as high as 20 per cent brokerage compared with the 1.65 per cent basic charge on sufficiently high deals.

I believe that by Stock Exchange regulation every share sale prospectus should contain an indicator box on the application form to enable applicants to show whether a reduced allocation is acceptable. Weighted ballots intended to favour small investors actually result in disgruntled recipients of such small lots that many sell as stags or are forced to buy more through the market at sometimes inflated prices. Either way the brokers and jobbers are the real winners though the former will still bleat about small deals not being viable.

Regarding Wold, my returned application was almost torn in two, such was the frenzied scene when the offer for sale opened so I doubt if my application went to ballot!

David A. Burgoyne,
Tudor Lodge,
Winston Gardens,
Boston, Lincs.

Farm workers in Lincolnshire

From the Secretary,
Lincolnshire County Branch,
National Farmers Union.

Sir,—Chris Dunkley, your TV reviewer, can be forgiven for misunderstanding (June 5) a statement made in Channel 4's series about the life of farm workers in Lincolnshire. He refers to one farm worker on a combine harvester bringing in produce worth £15,000 a day between July and December. In fact the average combine would have a harvesting capacity nearer half that amount of grain and would be used for about 15 days a year.

The programme itself implied that crops as a whole worth £15,000 a day were being harvested between July and December. But even that is somewhat sweeping. It assumes a farm big enough to yield £15,000 worth of potatoes and then sugar beet daily through to the end of the year. And that is a very big farm even by Lincolnshire standards. The average size of commercial farms in the county is less than 300 acres, the average output around £120,000 and the average farmer's income after allowing for interest on capital about £9,000.

Chris Dunkley was therefore very wise to qualify as he did his assertion that "The discrepancy between the incomes of owner and labourer does seem even more than usually shameful." That £15,000 a day is not in fact believable.

David Hill,
Agriculture House,
Woodhall Spa,
Lincolnshire.

Violence on screen

From Mr L. Goslin

Sir,—Chris Dunkley (June 1) misses the point. Actual scenes of violence and despair, as depicted, are themselves the tragic end result of a barrage of screen violence impacted on the unformed and half-literate minds of socially deprived inner urban youth.

Some puzzlement was expressed recently by a panel on Radio 4 as to when and why soccer violence originated. All were agreed that it started in the mid-1960s. Again, it is no coincidence that TV came into its own at about that time and viewing by the masses became a national pastime . . . soon, of course, to emerge in glorious (and gory) colour.

Ban violence on the box and in a few years or so soccer violence would be reduced to what it was in days of yore—a ducking for the referee in the old mill stream.

Lionel S. Goslin,
2 Wyke Oliver Road,
Preston, Weymouth, Dorset.

Looking for staff

From Mr D. Franklin.

Sir,—Miss J. R. Allan (May 31) expresses surprise that she cannot find staff in Harrogate. The ILEA careers services are taking part in the national "Job Search 1985" campaign to place 15,000 young people in jobs.

Our company contacted these offices some weeks ago for a trainee factory manager. Of the four applicants who were booked for appointments one sent a message to say that three miles was too far to come to work (where was his bike?) and we are still awaiting the arrival of the other three or in fact anyone who has the desire to apply for a job.

There are now 3.2m registered unemployed of which over 750,000 are in the south-east of England. Yet the other week there were 462 vacancies advertised in a local newspaper, the salaries ranging from £1.75 per hour for a cleaner to £7,017 per annum for a parking inspector. There are more than 500,000 unfilled vacancies in the economy which is 9 per cent higher than in 1979 when there were 1.6m fewer unemployed and the major reason is the lack of incentive to work.

On March 19 the Chancellor introduced his "Real Budget for jobs" and he observed that "too many people start paying tax at too low a level and too many families find themselves in the poverty and unemployment traps." Like all Chancellors before him, he has identified the problem correctly but is unable to change the schizophrenic views of the Treasury. The Treasury still maintains that the threshold for tax is sufficiently high to pay tax yet at the same time maintaining it is too low thus qualifying for assistance from the state.

The threshold should be twice a man's earnings above national assistance as in 1949. The unfilled vacancies would be filled and the resulting drop in unemployment would save a direct £3bn apart from the proportion of the £45bn which is now estimated to be in the black economy. Only this way can the Chancellor produce a Budget for real jobs.

David Franklin,
121, Kennington Road, SE11.

Human Rights Convention

From Mr Stanley A. Crossick

Sir,—Your leading article of May 30 suggests methods of reducing the number of cases brought against the UK before the European Court of Human Rights in Strasbourg for infringement of the European Convention on Human Rights.

By far the simplest course to ensure more effective protection of human rights would be for the UK to incorporate the convention into its domestic law, thus allowing British courts to interpret and apply the convention.

This is what happens in France, Germany, Italy and most of the other signatories to the convention.

Stanley A. Crossick,
118-128 Ave de Cortenbergh—Bte 6, 1040 Brussels.

Traffic on all lines

From Mr M. George.

Sir,—Within the past week I have witnessed two near-accidents caused by drivers wrestling with in-car phones while navigating in heavy traffic. Luckily both instances of lack of control did not lead to actual accidents. I am sure, however, I am not alone in witnessing such incidents.

In today's driving conditions the very last thing that one needs is a further, and substantial, distraction. Despite advertisements which carefully show in-car phone use while vehicles are stationary, the reality is very different. Is regulation necessary? I suspect so. . . .

M. C. George,
105, Mayfield Road, N8.

BUILDING SOCIETY RATES

	Share	Sub'pn	Others	
Abbey National	8.25	9.25	9.52	Seven-day account
			10.75	Higher interest acc. 90 days' notice or charge
			7.00/9.52/10.00	Cheque-Save
			11.00	High rate bondshare. £10,000 minimum
Aid to Thrift	9.80	—	—	Easy withdrawal, no penalty
Alliance	8.25	9.25	10.00	BankSave. Balance of £2,500. Current account. Bal. under £2,500, 9.00. Min. initial inv. £500
			10.00	Gold account. Minimum invest. £500. Imm. wdl.
Anglia	8.25	9.25	9.75	Instant gold. Annual int. No notice or penalty
			10.25	3-yr. bond. 90 days' not./pen. Diff. guaranteed
			10.75	Capital plus £10,000+. Ann. int. 60 dys.' nt./pn.
Barnsley	8.25	10.00	10.50	2-year termshare—3 months' notice
			10.10	Spec. inv. (28 days' not.) 10.10 mthly. inc. a/c
Bradford and Bingley	8.25	9.25	10.00	No notice, no penalty. £1,000+
			10.75	3 months' notice without penalty. £5,000+.
Bristol and West	8.25	9.25	9.75	Plus a/c £1,000+. No notice. No penalty
			10.30	£20,000+, 10.10 £5,000+, 9.90 £1,000+ 7-day notice triple bonus. Also monthly income
Britannia	8.25	9.25	10.30	28 days' notice £10,000+
Cardiff	9.75	9.85	10.25	90 days' not. Penalty if balance under £10,000
Catholic	8.55	9.55	10.05	Extra share, £5,001+ 10.30, 30 days' notice
Century (Edinburgh)	8.85	—	9.30	Guaranteed rate 2/3 yrs. (or variable account)
Chelsea	8.25	9.25	10.85	Immed. withdwl. int. pen. or 3 months' notice
Cheltenham and Gloucester	—	9.25	10.75	Gold. No notice. No penalties. £20,000+, 10.75. £500-£19,999, 10.25. Under £500. 8.25
Citizens Regency	8.25	9.75	10.00	7 dys., 10.00 1 mth., 10.25 2 mths., 10.85 3 mths.
City of London (The)	8.50	9.75	10.25	3 months' notice—no penalty—monthly income
			9.95	7 days' not. im. access for amounts over £5,000
Coventry	8.25	9.50	10.50	2-year bond £1,000+, close 90 days' notice and penalty, monthly inc. opt., guaranteed 2.25 diff. Moneymaker inst. acc. no pen. 10.30 £20,000+, 10.05 £5,000+, 9.75 £1,000+ monthly inc. opt.
Derbyshire	8.25	9.50	10.75	2 yrs., 3 m. not. Up to 10.00 no notice, no pen.
Gateway	8.25	9.25	10.03	Gold star £1,000+. No notice. No penalties. Monthly int. £5,000+, 10.50 if added to account
Greenwich	8.25	—	10.25	90-day account (no notice account 9.50-10.00)
Guardian	8.50	—	10.85	6 m. not. £1,000 min. Access to bal. £10,000+
Halifax	8.25	9.25	9.75	Instant Xtra. Immediate withdrawal no penalty
			10.75	90-day Xtra, 90 days' not. no pen. (£500 min.)
			10.60	Prem. Xtra (£10,000 min.) g'td 2pc diff. 3 yrs.
Heart of England	8.25	9.50	10.00	90-day notice. 9.50 5-day notice. 10.75 1-yr. bond
Hemel Hempstead	8.25	9.75	10.50	90 days. 10.25 60 days. 10.00 28 days
Hendon	9.35	—	10.10	7-day account. Minimum £500
Hinckley and Rugby	8.25	11.55	10.80	1-yr. certain min. £500 monthly income £5,000
Lambeth	8.40	9.50	9.90	7-d. a/c, 10.85 Magnum a/c 6 wks.+loss of int.
Leamington Spa	8.35	—	10.00	Spa mthly. income, no not., no pen. £5,000 min.
			10.50	High flyer, no notice, no penalty. £10,000 min.
			10.40	Supershare, no not., 14 days' pen. £2,000 min.
			10.80	Super Share, no not. 14 days' pen. £10,000 min.
Leeds and Holbeck	8.25	10.00	10.75	Monthly int., 10.25 28 days' not., 10.50 90 days' not. or pen., neither if £10,000 still in account
Leeds Permanent	8.25	9.25	10.75	Ltd. edition £10,000 3 mth.'s not. or 90-day pen
			10.25	HRAS 3 mths.' not., 10.00 Liq. Gold no not./pn.
Leicester	8.25	9.25	9.60	£500+ immediate withdrawal no penalty. 10.75 £10,000+ min. 1 yr., 10.25 £2,000+ min. 1 yr.
London Permanent	8.75	—	10.25	60 d. not. or imm. wdl. no pen. if bal. £7,500+
Midshires	8.25	—	10.50	2-yr. term. 2.25% differential guaranteed. 3 months' notice or penalty
Mornington	9.80	8.25	9.80	£2K, 10.00 £2K+, 10.10 £10K+, 10.25 £20K+
National Counties	†8.55	9.80	10.55	90 days' notice, no penalty. † £1,000+
National and Provincial	8.25	9.25	10.75	Apex 3rd iss. (2.50 gtd. 3 yrs.) withdl. penalty
			10.25	Money man. £10,000+. No notice. No penalty
			10.00	Money man. £500+ (8.25 under £500)
Nationwide	8.25	9.25	10.75	Capital bonds. 3 yrs., 90 days' notice/penalty
			10.75	Bonus-90 £20,000+, 90 days' notice/penalty
			10.50	Bonus-90 £10,000-£19,999, 90 days' notice/pen.
Newcastle	8.25	9.50	10.05	60 days' notice; 9.75 7 days' notice. On demand by arrangement
Northern Rock	8.25	9.50	10.25	Moneyspinner plus £20,000 or more, inst. access
			10.00	Moneyspinner plus £5,000 or more, inst. access
			9.75	Moneyspinner plus £500 or more, instant access
Norwich	8.25	9.50	9.80	7-d. share/monthly inc. opt. 10.00 on £10,000+
Peckham	8.90	—	9.90/10.40	Imm. wdl. if over £2,000. Monthly income
Peterborough	8.25	9.55	10.85	pa "85" Shrs.—85 ds. not.—min. int. inv. £5,000
Portman	8.25	10.50	*9.85	Flexi-plus. £500+ instant access, no penalty
			*10.25	Pm. £500+ 2 m. not., no pn. "Mthly. inc. £2,000
Portsmouth	8.40	9.90	11.00	5-year, 10.55 3-year, 10.35 90-day, 10.10 30-day
Property Owners	8.75	10.25	10.55	3 mths., 10.25 6 mths., 10.10 28 d., 10.00 im. ac.
Scarborough	8.25	9.50	10.45	Over 55's no penalties M.I. min. £250—10.15
Skipton	8.25	9.50	10.55	Sovereign £10,000+ instant access—no penalty
			10.30	Sovereign £500-£9,999
Stroud	8.25	9.50	11.00	2-year term. Notice accounts with monthly income option 10.50 90-day, 10.25 28-day
Sussex County	8.25	9.70	9.90	Sussex High, 10.30 90-day, 10.50 mnthly. income
Thrift	9.20	—	10.20	3-year term. Other accounts available
Town and Country	8.25	—	11.00	2-yr. term £10,000+, 10.75 £500-£9,999 wdl. avl.
			10.75	7.00 Moneywise chq./Visa int. varies with bal.
			10.25	Supershare. Imm. wdl. No pen. min. inv. £500
Wessex	10.10	—	—	No notice—no penalties—minimum £1
Woolwich	8.25	—	9.75	Prime—no notice, no penalty, minimum £500
			9.75	Monthly income shares, 28 days' notice
			10.75	Capital, 90 days' notice/penalty
Yorkshire	8.25	9.25	10.15	Diamond key, 28 days' notice or 28 days' pen.
			10.75	Platinum key, 60 days' notice or 60 days' pen.

All these % rates are after basic rate tax liability has been settled on behalf of the investor.

English China up 8% and poised for further growth

AT THE same time as announcing an £86.3m rights issue, English China Clays has reported a 7.5 per cent rise in pre-tax profits from £22.41m to £24.09m for the half year to March 31, 1985. The directors say the group is poised for further profitable growth.

The second half has started well in all areas of activity and they view with confidence the outcome for the year and prospects for the longer term.

The half year improvement was achieved in spite of unexpectedly severe weather in January and February which slowed or stopped the operations of three divisions for significant periods. Interest costs were substantially larger reflecting acquisitions made for cash in the past year and higher interest rates.

Explaining the reasons for the rights issue, the directors say they consider it desirable to increase the capital base of the company and so provide greater strength and flexibility to finance future growth. The net proceeds of the issue will initially be used to reduce borrowings.

The group has made considerable progress in recent years, both by acquisitions and through internal growth. The directors intend to pursue this path since good opportunities exist to invest at attractive returns in markets and technologies that, they say, the group understands well.

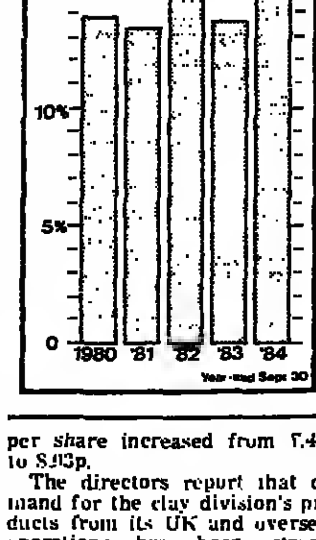
In particular, the directors will pursue acquisitions which fit with existing areas of business. Various opportunities, especially in respect of mineral interests (principally overseas) have been identified and are being examined.

The directors will also continue to invest in measures to improve productivity, returns on resources deployed and cash generation throughout the group.

The rights issue is of 40.56m new ordinary 25p shares on terms of one new share for every four held at a price of 220p each. The issue has been underwritten by J. Henry Schroder Wagg & Co.

The interim dividend is raised by 11 per cent from 3.6p to 4p net and the directors intend to raise the final by at least this percentage rate of increase — this would mean a final of not less than 6.7p (6p).

First-half turnover climbed 26 per cent to £334.36m (£265.04m). Operating profits were ahead from £37.27m to £41.82m. Expenses and net interest accounted for £7.74m (£4.86m) and tax took £9.6m (£10.4m). Stated earnings per share increased from 7.41p to 8.03p.



Sir Alan Dalton, the chairman

The directors report that demand for the clay division's products from its UK and overseas operations has been strong. Cornwall and Devon clay results are good and would have been even better but for the effect upon costs of the severe weather. The results reflect the buoyancy of the paper industry worldwide which is expected to continue at least to the end of this financial year.

Sales to the paint and polymer industries have been robust.

The group's other markets have also shown improvements and it has been encouraged by the recovery in the UK ceramic industry.

Group overseas companies have generally performed satisfactorily and investments in calcium carbonate are improving steadily. The company is in a sound position to make further progress in these activities.

The quarries division, including the Charcon and the relevant Bradley operations, suffered as building, construction and roadworks—all exposed and weather-sensitive operations — slowed or slithered to a halt in the ice and snow of winter. Sales are, however, now improving and the demands from the DIY market and for decorative garden products are gathering momentum after a late start due to the cold Spring.

Associated Asphalt had to close for five weeks because of the weather, but the order book is strong and a good performance is expected. Coal recovery operations, which had been closed for the duration of the miners' strike, were re-started in April and a return to profit is forecast. Ronez again produced a good profit and expects to be kept busy with a reclamation scheme in Guernsey and a buoyant market in Jersey.

International Drilling Fluids has traded well, especially in the North Sea and offshore China, in the face of more competitive market conditions.

The construction division has achieved an increased number of housing completions despite very adverse weather conditions. Sales continue at a reasonable level with the Northern region now showing signs of a recovery. A satisfactory number of completions has also been achieved in the three months' trading by the Bradley building operations.

Fluctuating interest and mortgage rates are influencing home buying decisions and it is, therefore, difficult to predict demand even in the short term, the directors say. Nevertheless, they expect to improve on last year's results.

A major part of the rationalisation and integration of the Bradley operations into the quarries and construction divisions has been successfully accomplished and the benefits from this will start to contribute in the second half and thereafter. Certain Bradley activities and properties not consistent with group policy and operations have been, or are being, sold.

See Lex

Saatchi in takeover approach to Streets

By Martin Dickson

Saatchi & Saatchi, Britain's biggest advertising agency, has made a takeover approach to Chetwynd Streets, the unquoted public relations and advertising company. Its subsidiary, *Streets Financial*, is one of the City's best-known public relations companies.

A price of over £10m is believed to have been discussed but Chetwynd Street's board appears unenthusiastic about a deal.

Saatchi, which is known to be keen to expand into public relations, declined to comment yesterday. Saatchi shares rose 20p on the day to close at 715p.

But Mr Julian Broad, chairman of Chetwynd Streets, said: "They have made us an offer. They have approached us repeatedly over the years. We have never found any of their offers particularly appealing and currently can't see any reason to change our minds."

Mr Broad and fellow directors Guy Ellerington and Reg Oliver control 53 per cent of the company, which is considering a stock market flotation, possibly next year.

Chetwynd Streets last year made £882,000 (£648,000) on turnover of £33.1m (£27.7m). Its agencies include Chetwynd Haddons, a consumer advertising group, Streets Advertising, a business to business advertising agency, and Chetwyn Streets Management Selection, a recruitment agency.

Apart from its public relations work, Streets Financial is also a substantial financial products advertising agency.

Saatchi has been expanding rapidly over the past year away from its traditional advertising base into related business services. Last autumn, for example, it bought the large U.S. management consultancy, the Hay Group, for an initial $100m.

It has a public relations agency in the U.S.—Rowland, a New York firm bought in March this year—but in the UK it merely has a relatively small PR operation within its Harrison Cowley subsidiary.

In April, Saatchi raised £99m via a rights issue

Stefan Wagstyl assesses Kalon's stable growth path

Painting a successful picture

Do-it-yourself and own brand supplier finds an independent route to profitable survival in a highly competitive market

THE FLOTATION of Kalon Group later this month will bring to the stock market one of the UK's few consistently successful independent paintmakers.

The company has survived the pressures of chronic overcapacity in the industry, which has forced many rivals out of business, cutting the numbers of companies from about 600 in the mid-1960s to an estimated 350 today.

Leeds-based Kalon is coming to the stock market by reversing into one of the best-known victims of the industry's troubles, Leyland Paint and Wallpaper, in a deal which will create a group with a capitalisation of about £35m.

In a decorative paint market dominated by brands owned by multinational groups — ICI's Dulux's, Reed International's Crown, and Hoechst's Berger—Kalon's success has been built on supplying non-branded, own-label paints to supermarkets and do-it-yourself chains.

In the last five years Kalon has invested £13m at Birstall, near Leeds, constructing what it describes as the most modern paint manufacturing factory in Europe.

This confidence contrasts sharply with the cuts in capacity which other companies, Leyland among them, have made. The industry's total output of decorative paint has increased only slightly from 295m litres in 1980 to 334m last year.

The Paintmakers Association of Great Britain says that rationalisation and consolidation have been the order of the day. Several independent companies have been driven into the arms of larger groups, notably Donald Macpherson which was acquired last year by the Finnish company, Tikkurila, outbidding Sweden's Becker.

To some extent, Kalon's merger with Leyland fits in with the consolidation trend. The combined group estimates that it will have up to 15 per cent of the decorative paint market, well behind Dulux but roughly equal to Crown and ahead of Berger.

But Mr Leslie Silver, Kalon's chairman, is keen to show that the merger is anything but defensive. "We are fairly aggressive," he says. "This is expansion for us in one big leap."

Mr Silver started the business in a stable in 1947. It grew steadily until the late 1950s, when it was transformed by becoming one of the first companies to produce emulsion paints, which were replacing gloss paints in many applications.

The group, then known as Silver Paint and Lacquer Company, launched its own brand of paint, Home Charm, with considerable success. But its next decisive move came in the early 1970s when it began supplying own-label paint for supermarkets and do-it-yourself chains, which were rapidly expanding at the expense of traditional hardware stores.

The group also built up a broader spread of interests by acquiring or establishing manufacturing operations in cleaning chemicals, polymers and wallpapers. In 1981, in the biggest deal before Leyland, Kalon acquired, for £1.8m, the UK paint and chemical activities of the Bestobell Group.

With the help of acquisitions, turnover has grown from £18m in 1980 to £53m last year. Pre-tax profits rose from £1.2m in 1980 to £3.2m in 1983, before falling back to £2.7m last year when the group bore the brunt of the cost of the Birstall development.

Leyland, with sales last year of nearly £16m, is however, on a different scale from Bestobell. The Lancashire company has survived the industry's troubles only with the help of a financial rescue early last year by institutions headed by Hambros Bank, which injected £1.7m in new capital.

The company cut both its paint and wallpaper manufacturing activities to show a modest £26,000 pre-tax profit for 1984, after two years of heavy losses.

In December it sold its wallpaper business to William Morris Fine Arts in a £3.3m deal, to concentrate resources on modernising the paint making activities.

But Leyland is at pains to point out that the Kalon merger is no rescue. And Kalon pays tribute to the management which took over late in 1983 and turned the company around. Leyland's managing director, Mr James McDonald, will be the combined group's deputy chairman.

Under the terms of the merger, Kalon shareholders, largely Mr Silver and his family, will own the major share of the enlarged group, controlling 78 per cent of the equity. And it will be 60-year-old Mr Silver, also chairman of Leeds United Football Club, who will be in command.

Mr Silver sees three advantages in the merger:

- The enlarged group, with combined sales last year of £69m (£51m in decorative paint and the rest in chemicals and industrial paint), will have better purchasing power.
- The market positions of the two companies go together well. Kalon's strength is in own-label paint, Leyland's in branded paint. Kalon's biggest customers are do-it-yourself enthusiasts, Leyland's are largely professional painters and decorators buying from trade outlets.
- There is a good fit too in production skills; Kalon makes one important raw material for paint —polymers, and Leyland another —alkid resins. Kalon's paint-making plant is geared to high-volume output, Leyland's to small-batch production.

Mr Silver says, however, the group's potential should not be exaggerated. The market for decorative paint can be expected to grow only as fast as the economy, so prospects are not fantastic. The outlook is much brighter in developing some of the group's chemical operations, he says.

The merger has been welcomed in the City as an opportunity for the proven Kalon management to set to work on a larger company and as a sign that there is still life in the UK's independent paintmakers.

As Mr Andrew Bell, who follows the industry for brokers Savory Milln, says: "The paint industry has at last begun to realise that salvation lies in its own hands."

Chief resigns at Xyllyx

Xyllyx, which earlier this year underwent a sweeping change in senior management, yesterday announced the resignation of its chairman, Mr Michael Hamilton.

Mr Hamilton, who left immediately, has been replaced by Mr James O'Hara, a management consultant, brought in last December to replace Mr L. Imre Lake as managing director. Mr Lake resigned selling his 40 per cent stake in the company after reporting that the company had suffered losses of £177,000 on its "Infobox" viewdata business in the six months to September.

Xyllyx came to the USM in February last year, when its shares were placed at 50p. Yesterday, they fell 1p to 7p, the lowest yet.

Geers Gross

Eurocome, a French advertising holding company, has increased its holding in Geers Gross, the UK advertising agent and consultant, from 10.3 per cent to 17.9 per cent. This is in accordance with an agreement announced earlier this week, under which the French group may take the holding to 20 per cent immediately.

Fraser/Debenhams

House of Fraser, the stores group, yesterday officially confirmed it holds 5.1 per cent of Debenhams, the stores group fighting a £475m takeover bid from Burton and Habitat-Mothercare.

Meanwhile Debenhams yesterday sent a letter to shareholders attacking Burton's offer document for being "long on concepts and short on facts."

Debenhams' shares fell 2p on the day to 401p, which compares with a Burton offer worth 341p.

IBL oversubscribed

The offer for sale of shares in IBL, a computer leasing company, has been oversubscribed by nearly three times.

The basis of allocation to investors will be announced on Monday.

Moss raises offer for Cole

BY MARTIN DICKSON

Robert Moss, the manufacturer and distributor of plastic injection mouldings, yesterday raised the value of its contested takeover bid for Cole Group from £5.1m to £5.67m and said its new offer was final.

Moss's original offer was accepted by the holders of only 0.6 per cent of Cole shares by yesterday, the first closing date. It held 8.1 per cent of Cole before launching the bid and yesterday reserved the right to sell this stake.

Cole, a plastics and electronics group, last night rejected the new offer as "totally inadequate."

The new offer is 80 new ordinary shares in Moss and £105 in cash for every 100 Cole shares. On the basis of Moss's unchanged closing price last night of 105p the offer is worth 189p per Cole share, while the previous offer was worth 170p. Cole shares closed last night at 188p, up 4p on the day.

Moss has also introduced a loan note which Cole shareholders may elect to receive in place of all or part of the cash element.

Moss coupled the new offer with an attack on the Cole management's record. It said that Cole's "erratic profit history" gave no grounds for confidence that the improved level of profitability suggested by its profit forecast could be sustained, even if achieved in the first place.

Exeter Bldg. says 140p offer price is inadequate

Exeter Building & Construction, facing a tender offer for 29.9 per cent of its shares from Mr Michael Kent's Kent Holdings, yesterday advised shareholders that the 140p maximum offer price was inadequate. But it stopped short of an outright rejection.

"The board views the maximum tender price of 140p per share offered by Kent as representing no more than a minimum price for the acquisition of a significant minority shareholding in the company," said Mr David Stoneman, chairman.

Directors, their associates and shareholding staff hold a majority of the equity. "However, it appears unlikely that a significant number of shares will be tendered from these sources," Mr Stoneman said.

On Exeter's prospects, he said that "future timing of events in our development programme remains uncertain, but recent events increase our expectations for future performance." Mr Kent's approach confirmed the strength and potential of Exeter, he said.

Mr Kent, who already holds 4.9 per cent of Exeter, has set a June 12 close for the tender to raise the holding to up to 29.9 per cent. Exeter shares rose 5p yesterday to 133p.

Henderson bid for Cartwright lapses

Henderson Group, maker of garage doors and security systems, has allowed its £9m bid for R. Cartwright (Holdings) to lapse in the face of the £12.2m offer from Newman Tonks put in this week. Cartwright, a building and security products group, has rejected both bids.

Henderson had previously said publicly that it would not pay 180p per share for Cartwright—the Newman share bid was at 183p—and was therefore unable to match the rival bid.

Mr Norman Parker, Henderson chief executive, said the company had been aware of this limitation when it made its statement.

RMC first half profit downturn

At the annual meeting of the RMC Group the chairman, Mr John Camden, confirmed that results for the first half of the current year would be lower than last year.

There had been improvement in business in the UK since the first two months of the year, which suffered from the atrocious weather, but making up for lost time was expensive and margins had not improved to cover the increased costs incurred.

In West Germany there were still no signs of an improvement and Mr Camden did not foresee any during 1985, but elsewhere in Europe the position was brighter and progress was being maintained in the U.S.

Ladbroke on course

The first five months of 1985 had resulted in "highly satisfactory" trading for the Ladbroke Group. This confirmed expectations of very good profit growth for the whole year, the chairman Mr Cyril Stein, told the annual meeting.

In 1984, the group had seen its profit expand from £41.8m to £50.2m.

Mr Stein said the Belgian off-track betting business, which included the Le Tierce chain of over 500 outlets bought last December, was achieving good return on capital invested.

Spectrum's £1m loss pulls back PWS

PWS International reports a drop of £235,000 to £1.73m in pre-tax profits for the year ended March 31 1985.

Mr Malcolm Pearson, chairman, says that statements regarding the underwriting losses of the Bermuda insurance company Spectrum have proved over-optimistic, and this is reflected in the results.

The loss attributable to Spectrum is £1.15m (profit £109,000) but the directors stand by their earlier statement that these losses will not prove a long term drain on group profits.

In the UK the profit contribution has risen from £1.66m to £2.35m. All overseas subsidiaries have been affected by currency fluctuations which have caused marginal reduction from £2.18m to £2.1m in their aggregate turnover and account for most of a £469,000 increase in their expenses.

In Bermuda, excluding Spectrum, the profit was £534,000 (£703,000), in the U.S. the loss rose to £216,000 (£116,000), and elsewhere the profit was £199,000 (£308,000).

PWS is the holding company for Pearson Webb Springbett reinsurance brokers, and was introduced to the stock exchange a year ago when some 20 per cent of its shares were placed. No profit forecast was made but the directors indicated a total dividend of 9p net—this is being met with a final of 6p.

Mr Pearson, says the general market picture in the company's sector is still that a long period of deteriorating results is drawing to an end as capacity dwindles and *premium* rates begin to increase.

Substantial flows of new facultative business are in prospect. In a difficult period for treaty business the directors have improved the quality of the portfolio after reducing its size, and are cautiously optimistic about its future.

The chairman says the UK group is the most important part of the business. It improved its turnover by 12 per cent to £8.7m, experienced a continuing fall in the expense ratio, and also enjoyed some benefit from exchange rate movements, particularly in the first half. The 1983-84 profit comparison is after adding back the £252,000 exceptional charge and £447,000 provision for bad and doubtful debts made then. The directors do not feel it necessary to make any further provision for doubtful debts now.

Mr Pearson says it became apparent during the year that the level of business in the New York operation did not justify the number of its staff. Steps were taken to reduce staff and eliminate surplus office space.

Similar problems *affected* the Bermudian operation, whose principal activity was to act as underwriting agent for the pools. The office has been closed and business transferred to Guernsey (C.I.), where operating expenses will be considerably lower.

Profit in South Africa increased marginally in terms of local currency, although it fell when translated to sterling.

Going into some detail on Spectrum, the chairman says at the halfway stage $350,000 (£295,000) was reserved for unexpected losses for the 1983 underwriting year, and it was believed that most of the problem had been contained. This proved over-optimistic.

Most of the problem still lies with the 1983 account. Spectrum's net retained premium income for that year was substantially higher than for 1982, which is closing with a small loss, or for 1984, which is also showing signs of becoming loss-making.

● comment

PWS got the fire reinsurance market badly wrong in 1983 and is paying for it now. The huge number of claims has not only caught horrified shareholders unaware: the company itself was unprepared—as recently as at the interim stage it was confident that there would be no need for further provisions. It is now thoroughly chastened, is taking on no more underwriting business at all, and is hoping that the latest £360,000 provisions will cover its existing commitment. That leaves it with a broking business that is not without problems of its own. However, a 40 per cent reduction in the U.S. office together with the transfer of the costly Bermuda office to a cheaper site in Guernsey will mean an improvement in the overseas operation this year, barring unfavourable currency movements against which the company never hedges. The UK broking business seems to be progressing fairly smoothly and should start to look up in the second half due to the rise in premium rates. Assuming that there are no more shocks to come from the underwriting side, PWS *could* make £2.5m this year. The shares, after crashing 145p yesterday to 390p, are on a p/e of 18 after a 40 per cent tax charge. The tumble may not be over yet.

DIVIDENDS ANNOUNCED

English China ......int.	4	July 17	3.6	—	9.6
G.T. Global Recovery ...	1.25	July 20	1.25	2	2
Piccadilly Radio 'A' int.	1.75	Sept. 30	1.75	—	3.75
Piccadilly Radio Ord int.	0.88	Sept. 30	0.88	—	1.88
Plantation & General ...	3	July 31	25	5	4
PWS Intl	6	July 31	—	9	—
Scottish National ...int.	1.5	June 21	1.3	—	4.25
Somic	1.5	—	1	1.5	2

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.
§ Unquoted stock.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri June 7 1985 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Thur June 6 Index No.	Wed June 5 Index No.	Tues June 4 Index No.	Year ago (approx.) Index No.	1985 High	1985 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (207)	543.04	−1.0	10.34	4.14	12.10	7.20	548.43	551.13	557.59	491.83	577.15 22/1	529.99 25/2	577.15 22/1/85	50.71 13/12/74
2	Building Materials (23)	531.61	−0.6	12.37	4.86	9.89	6.93	534.88	536.64	544.24	471.06	546.84 21/5	472.11 26/2	546.84 21/5/85	44.27 11/12/74
3	Contracting, Construction (29)	779.52	−0.6	13.10	5.28	9.85	16.49	783.92	783.84	784.35	661.59	784.35 4/6	684.17 8/3	831.09 15/3/83	71.48 2/12/74
4	Electricals (14)	1496.35	−1.5	10.50	4.87	12.03	27.85	1518.87	1532.54	1523.91	1552.33	1701.64 22/1	1478.18 25/2	1909.93 3/6/83	84.71 25/6/62
5	Electronics (37)	1474.95	−1.6	10.03	3.46	12.97	14.03	1499.24	1531.17	1577.65	1705.16	1977.60 9/1	1474.95 7/6	2049.05 13/11/84	1474.95 7/6/85
6	Mechanical Engineering (63)	312.73	−0.5	10.25	4.42	11.88	4.79	314.26	314.92	315.37	249.37	316.14 13/5	275.18 3/1	316.14 13/5/85	45.43 5/1/75
8	Metals and Metal Forming (7)	202.32	−0.1	12.28	7.52	10.20	3.71	202.46	202.50	201.99	182.22	202.50 5/6	165.08 14/1	209.74 13/3/84	49.65 6/1/75
9	Motors (17)	167.42	−1.1	13.06	5.04	9.50	3.15	169.20	171.02	168.85	129.10	175.89 15/3	142.57 3/1	175.89 15/3/85	19.91 6/1/75
10	Other Industrial Materials (17)	1015.00	−0.9	7.04	3.14	17.06	11.22	1023.91	1004.87	1010.36	648.85	1023.91 6/6	828.60 3/1	1023.91 6/6/85	277.55 15/1/81
21	CONSUMER GROUP (178)	672.21	−0.5	9.57	3.78	12.91	8.79	675.57	683.36	680.54	501.82	683.36 5/6	604.96 3/1	683.36 5/6/85	61.41 13/12/74
22	Brewers and Distillers (23)	605.38	−0.6	11.30	4.59	11.05	8.09	609.06	614.91	617.38	514.72	617.38 4/6	550.86 3/1	617.38 4/6/85	69.47 13/12/74
25	Food Manufacturing (20)	505.89	−1.3	12.15	4.81	10.51	9.86	512.70	510.40	511.45	376.03	513.86 12/3	473.30 3/1	513.86 12/3/85	59.67 11/12/74
26	Food Retailing (14)	1604.34	−0.1	5.42	2.46	24.56	10.24	1606.43	1662.70	1660.72	1150.59	1662.70 5/6	1403.36 1/3	1662.70 5/6/85	54.25 11/12/74
27	Health and Household Products (9)	1103.47	−0.9	5.93	2.56	19.73	5.75	1112.96	1124.51	1115.44	807.71	1124.51 5/6	980.65 11/4	1124.51 5/6/85	175.38 28/5/80
29	Leisure (23)	692.01	−0.8	8.54	4.70	15.27	12.59	697.63	701.75	698.12	597.69	719.49 22/1	652.35 9/4	719.49 22/1/85	54.83 9/1/75
32	Newspapers, Publishing (12)	1801.59	−0.8	6.80	4.23	19.03	32.34	1815.21	1825.11	1803.03	1307.98	1825.11 5/6	1445.15 3/1	1825.11 5/6/85	55.08 6/1/75
33	Packaging and Paper (14)	336.00	—	11.22	4.11	10.28	2.50	336.09	334.71	334.51	238.38	336.09 6/6	286.36 3/1	336.09 6/6/85	43.46 6/1/75
34	Stores (41)	649.87	−0.7	7.67	3.22	17.66	8.45	654.14	660.85	658.51	448.98	660.85 5/6	529.47 19/2	660.85 5/6/85	52.63 6/1/75
35	Textiles (19)	326.62	−1.0	17.10	4.84	6.71	6.38	329.97	334.02	332.79	264.07	341.97 11/3	293.07 3/1	341.97 11/3/85	62.66 11/12/74
36	Tobaccos (3)	864.10	+1.5	17.23	4.96	6.51	17.44	851.50	870.41	852.17	616.41	1010.69 8/2	820.03 31/5	1010.69 8/2/85	94.34 13/6/62
41	OTHER GROUPS (98)	708.97	−0.8	0.73	3.39	14.45	6.00	714.55	720.65	720.40	435.25	722.57 15/5	605.99 3/1	722.57 15/5/85	58.63 6/1/75
42	Chemicals (17)	768.26	−0.2	13.54	4.83	9.13	15.35	769.89	776.82	773.87	573.81	832.26 22/2	710.88 3/1	832.26 22/2/85	71.20 1/12/74
44	Office Equipment (4)	182.60	−1.9	7.21	4.60	17.20	3.58	186.09	185.85	186.38	122.94	190.38 11/3	154.76 3/1	246.06 1/9/72	45.34 2/1/75
45	Shipping and Transport (12)	1142.94	−0.8	7.96	4.60	16.53	25.43	1152.48	1150.68	1151.97	848.28	1201.81 23/5	958.08 3/1	1201.81 23/5/85	90.80 29/6/62
46	Miscellaneous (63)	885.60	−0.8	7.27	3.36	16.80	6.94	892.51	895.85	897.99	606.71	899.77 3/6	798.35 3/1	899.77 3/6/85	60.39 6/7/75
48	Telephone Networks (2)	884.69	−1.0	7.56	3.64	17.25	0.70	893.51	905.54	904.75	0.0	932.01 15/5	701.92 3/1	932.81 15/5/85	517.92 30/11/84
49	INDUSTRIAL GROUP (483)	655.80	−0.7	9.53	3.90	13.07	7.77	660.40	666.33	666.95	493.53	666.95 4/6	599.75 3/1	666.95 4/6/85	59.01 13/12/74
51	Oils (17)	1132.04	−1.4	16.38	7.35	7.51	37.63	1147.91	1158.10	1145.38	1125.88	1239.75 15/2	1042.21 3/1	1239.75 15/2/85	87.23 29/5/62
59	500 SHARE INDEX (500)	696.02	−0.8	10.41	4.34	11.93	10.16	701.53	707.87	707.39	546.59	707.87 5/6	636.98 3/1	707.87 5/6/85	63.49 13/12/74
61	FINANCIAL GROUP (113)	473.40	−0.7	—	5.28	—	9.14	476.96	477.46	478.34	362.72	478.74 15/5	438.10 4/1	478.74 15/5/85	55.88 13/12/74
62	Banks (6)	464.61	−1.4	16.66	7.45	8.57	11.71	471.38	475.56	479.70	346.89	483.39 13/5	420.58 15/4	483.39 13/5/85	62.44 12/12/74
65	Insurance (Life) (8)	759.95	+0.9	—	4.17	—	14.71	752.83	748.58	756.18	460.49	759.95 7/6	580.95 4/1	759.95 7/6/85	44.88 2/1/75
66	Insurance (Composite) (7)	357.17	−0.5	—	5.46	—	8.53	359.09	360.74	360.95	277.13	363.76 15/5	303.16 25/2	363.76 15/5/85	43.96 13/12/74
67	Insurance (Brokers) (7)	1169.85	−1.4	7.62	3.52	17.64	19.87	1186.87	1190.12	1174.11	723.40	1248.70 15/3	1011.88 4/1	1248.70 15/3/85	65.06 16/12/74
68	Merchant Banks (11)	230.04	−0.3	—	4.28	—	1.56	230.75	229.78	228.69	206.32	248.76 16/1	220.65 3/1	278.57 1/5/72	31.21 7/1/75
69	Property (50)	627.07	−1.2	5.94	3.67	22.65	7.46	634.85	628.17	626.69	554.72	653.36 13/5	613.65 25/2	653.36 13/5/85	56.01 20/4/65
70	Other Financial (24)	279.64	−0.7	8.88	5.81	13.70	5.38	281.58	284.11	282.22	235.34	296.92 6/2	268.20 3/1	303.18 18/5/72	33.29 17/12/74
71	Investment Trusts (106)	598.78	−0.3	—	3.40	—	6.70	600.86	600.44	597.51	473.96	635.62 7/3	564.72 3/1	635.62 7/3/85	71.12 13/12/74
81	Mining Finance (4)	277.83	−0.7	11.50	5.69	10.18	5.29	279.89	284.62	282.32	292.31	311.08 15/4	269.70 7/1	337.57 10/4/84	66.31 30/9/74
91	Overseas Traders (14)	654.05	−0.7	9.42	6.49	13.13	19.54	658.63	657.91	655.51	539.21	687.15 22/1	618.22 3/1	687.15 22/1/85	97.37 6/1/75
99	ALL-SHARE INDEX (737)	634.66	−8.8	—	4.48	—	9.73	639.50	644.21	643.80	499.38	644.21 5/6	581.88 3/1	644.21 5/6/85	61.92 13/12/74
		Index No.	Day's Change	Day's High	Day's Low	June 6	June 5	June 4	June 3	May 31	Year ago				
	FT-SE 100 SHARE INDEX	1310.6	−11.4	1323.1	1305.0	1322.0	1335.9	1336.6	1324.6	1313.0	1068.6	1342.4 15/5	1206.1 3/1	1342.4 15/5/85	986.9 23/7/84

FIXED INTEREST

	PRICE INDICES	Fri June 7	Day's change %	Thur June 6	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	118.10	+0.15	117.96	0.04	4.70
2	5-15 years	130.10	−0.06	130.35	0.17	5.56
3	Over 15 years	136.48	−0.08	137.47	0.88	4.34
4	Irredeemables	145.96	+0.01	145.95	—	6.30
5	All stocks	128.60	+0.01	128.82	0.24	5.14
6	Debentures & Loans	109.28	+0.09	109.18	—	5.69
7	Preference	78.79	+0.29	78.56	—	3.16
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	111.14	+0.41	110.68	—	1.03

	AVERAGE GROSS REDEMPTION YIELDS		Fri June 7	Thur June 6	Year ago (approx.)	1985 Highs		1985 Lows	
	British Government								
1	Low	5 years	10.30	10.32	11.18	11.56	28/1	10.29	4/6
2	Coupons	15 years	10.61	10.58	10.98	11.20	28/1	10.47	9/1
3		25 years	10.26	10.25	10.39	10.72	29/1	10.03	2/1
4	Medium	5 years	11.37	11.37	12.00	12.39	28/1	11.14	9/1
5	Coupons	15 years	10.90	10.87	11.36	11.63	28/1	10.79	18/4
6		25 years	10.44	10.42	10.65	10.97	29/1	10.29	15/4
7	High	5 years	11.45	11.45	12.08	12.53	28/1	11.30	9/1
8	Coupons	15 years	11.05	11.02	11.54	11.76	28/1	10.94	18/4
9		25 years	10.63	10.61	10.71	11.03	29/1	10.36	9/1
10	Irredeemables †		10.07	10.06	10.28	10.49	28/1	9.90	31/12
11	Debs &	5 years	11.84	11.88	12.46	12.63	29/1	11.73	2/1
12	Loans	15 years	11.67	11.69	12.24	12.37	29/1	11.67	7/6
13		25 years	11.49	11.50	12.08	12.37	29/1	11.47	19/4
14	Preference †		12.48	12.52	12.82	13.14	29/1	12.48	7/6
15	Inflation rate	5%	3.58	3.61	3.63	3.61	6/6	3.11	11/3
16		10%	3.40	3.42	3.45	3.42	6/6	2.94	11/3

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† *Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.*

CONSTITUENT CHANGES: Muirhead (4) has been deleted and replaced by Glass Glover (26).

Setback for attempt to reform Swiss company reporting

BY JOHN WICKS IN ZURICH

SWISS Government propossls for more comprehensive corporate reporting hava received a setback from a parliamentary commission.

In order to "relain Swiss companies' competitive ability," a national council commission has recommended substantial amendments to a draft revision of the country's joint-stock law.

The commission's report, to be presented to parliament this autumn, disagrees with the government view that companies should be compelled to publish their cash-flow. It also proposes that hidden reserves should still he permitted. Liquidation of such unpublished assets would become subject to compulsory reporting only when they have shown a net decline over a three-year period.

At the same tima, the commission recommends that only listed companies—and not, as the government had suggested, major private companies as well—should have to publish their accounts. Companies would also not be forced to publish details of their major activities in annual reports.

In other moves to tone down the draft bill of the Coalition Federal Council, the commission says that only "large groups" should have to consolidate their accounts and that a "cancelling-out" of profits and losses should be permitted in corporate profit-and-loss accounts.

The commission also recommends that the minimum nominal price of shares should be cut back from SwFr 100 to SwFr 10 and that participation certificates (non-voting shares) should be allowed to be issued to an unlimited amount, evsn if this exceeds voting-share capital.

The marked differences between the government draft and the national council commission's proposal make it likely that the revision of Swiss joint-stock law will take even longer than had been feared. Efforts to bring the law up to date have been going on since the early 1960s.

Australian aluminium smelter plan revived

By Keith Wheatley in Paris

PLANS TO build a A$750m (U.S.$497m) aluminum smelter in Western Australia have been revived following a decision by Reynolds Metals of the U.S. to take a 25 per cent stake in the project.

Uncertainty had surrounded the future of the environmentally controversial scheme since the collapse earlier this year of the Kukje-ICC group of South Korea, which was to have held a 45 per cent share in the smelter.

Smaller Korean enterprises have subsequently agreed to take an aggregate 15 per cent stake, but declined to accept the full Kukje portion.

Announcing the decision to proceed yesterday, Mr David Parker, the Western Australian Energy Minister, said Reynolds had also agreed to find further companies worldwide able to take any of the remaining equity not absorbed by the Koreans.

Other partners in the scheme include the state government itself with 20 per cent; and Griffin Coal a Western Australian-based energy corporation with 25 per cent. It was also announced that a power tariff has been agreed with the state Energy Commission, although details of price rates were not disclosed.

The smelter, to be built in the south of the state and involving the clearing of considerable areas of forests, will run on electricity generated from natural gas brought ashore from the North West Shelf development. A power station will be built, almost certainly by Korean contractors.

Urgency has crept into the smelter plans because of national tax changes which end certain federal government investment allowances from June 30.

Italian co-operative group joins in bidding for SME

BY JAMES BUXTON IN ROME

IRI, the Italian state industrial holding company, has received a fifth offer for SME, its foods subsidiary. In April it agreed to sell to the Buitoni foods group, headed by Sig Carlo de Benedetti, better known as the chairman of Olivetti.

The offer comes from the League of Co-operatives, a group of co-operatives operating mainly in the fields of agriculture and food processing, which are affiliated to the Communist and Socialist Parties. But details of the bid have not been made public.

The privatisation of SME (Societa Meridionale Finanziaria) is at the heart of a political row, which could have serious consequences in Italian political circles and for the international standing of Italian business.

Prof Romano Prodi, chairman of IRI, agreed to sell IRI's 64 per cent stake in SME to Buitoni for L497bn ($254m). But the deal encountered opposition from Sig Bettino Craxi, the Prime Minister, who succeeded in preventing Sig Clelio Darida, the Minister of State Participation, who is ultimately responsible for IRI, from giving it his formal written approval.

In the meantime, IRI received other offers for SME, which it was obliged by the government to consider. Probably the most convincing came from a consortium of three companies—Barilla, Ferrero, both in food manufacturing, and Fininvest, a group controlled by Sig Silvio Berlusconi, the private TV magnate. They offered L600bn, though payable over a slightly longer period than the Buitoni offer.

Sig de Benedetti this week wrote to Sig Prodi, claiming that the two men had signed a binding contract ratified by both boards, which IRI should now implement. But Sig Prodi has replied that the contract was only a "preliminary agreement" subject to the approval of Sig Darida. Yesterday Sig Darida asked Sig Prodi to report to him on the different offer by June 13.

The controversy over SME has put Sig Prodi in a very difficult position, raising questions about his managerial independence, which, unless resolved satisfactorily, could weaken his standing and threaten other possible privatisation moves.

Behind the row lies the intense jealousy between the Socialist Party, led by Sig Craxi, and his coalition partners, the Christian Democrats, who have an important say in the running of IRI. The ire of Sig Craxi was aroused from the outset, since he was not personally informed of the deal with Buitoni.

Beneficial completes Western Auto sale

BY TERRY BYLAND IN NEW YORK

BENEFICIAL CORPORATION of Wilmington, Delaware has completed its withdrawal from all non-financial services operations with the $300m planned sale of its Western Auto Supply subsidiary to Wesray Capital, a private investment firm headed by Mr William Simon, former head of the U.S. Treasury.

Ann Stephenson, an executive of Beneficial, said the group had no plans for further disposals. The sale was a "strategic decision," since Western Auto no longer fitted the company's long-term plans to concentrate on consumer financing operations, including credit cards, and mortgage and insurance lending.

As part of this policy, Beneficial is considering the acquisition of a consumer lending company in Ireland, she added.

Western Auto, owned by Beneficial for five years, represents the remnants of the ill-fated expansion policies instituted by Mr O. W. Caspersen, father of the present chairman, Mr Finn Caspersen. It earned $16.6m on sales of $697.7m last year, representing just over 15 per cent of Beneficial's total earnings of $106.3m.

For Wesray, the addition of Western Auto's 200 company-owned outlets and 2,000 plus franchised store outlets, some including non-auto sale lines, increases its stable of subsidiary companies to 15, now worth around $6.5bn in annual sales. Recent acquisitions have included Atlas Van Lines and Gibson Greeting Cards.

Western Auto also has two non-auto divisions, Eva Gabor, which imports women's wigs, and Midland International, which imports mobile communication equipment.

Court boost for Jacobs in AMF takeover fight

A U.S. FEDERAL judge has issued a preliminary injunction preventing AMF, the U.S. industrial and leisure products group, from adopting a "poison-pill" plan that was intended to deter a hostile bid for control by Mr Irwin Jacobs, the U.S. investor, reports AP-DJ from New York.

The judge ruled in favour of a motion by Mr Jacob's Minneapolis-based Minstar group, which had contended in a lawsuit filed last month that AMF's poison pill and other defensive measures were an "unlawful entrenchment program" designed to thwart a takeover that is not approved by the current directors. A poison-pill defence is one designed to make a hostile takeover prohibitively expensive.

The decision is a victory for Mr Jacobs and his company because injunctions are issued in federal lawsuits only when the plaintiff can demonstrate "irreparable harm" and show a likelihood of winning the case.

AMF, a White Plains, New York-based maker of consumer and industrial products, including yachts, tennis rackets and golf equipment, had contended that the board's measures were enacted to protect the interests of shareholders.

Minstar, a moving and storage company and makers of boats, has made a $23-a-share tender offer for 12m, or 43 per cent, of AMF's shares.

AMF's directors have called Minstar's bid inadequate and have authorised management to seek a business combination involving AMF, the sale of one or more of its businesses or a complete liquidation.

Issue lifts Geco capital by 30%

BY FAY GJESTER IN OSLO

GECO, the fast-growing Norwegian seismic survey group, is seeking NKr 250m-NKr 322m ($28.4m-$36.5m) of fresh funds through a new share issue, which will significantly broaden its ownership base. The issue is expected to attract considerable foreign interest. The new shares will be quoted on the Oslo Stock Exchange from June 19.

Initially, 1.1m shares with a par value of NKr 25 each, will be offered for public subscription. This will boost share capital by 30 per cent to NKr 115.25m, from NKr 8.75m.

No price has yet been fixed, but market sources suggest about NKr 230 per share. A small additional number of shares will be offered to employees at a discount—around NKr 170 per share.

If the issue is oversubscribed, a further 900,000 shares will be put on the market.

Geco is one of Norway's most international firms, with around 1,600 employees and branches outside Norway in Houston, London, Dubai, Singapore, Jakarta, Wellington (New Zealand) and China — the latter through its Chinese joint-venture Chino-Geco.

In 1984 the group earned a profit of NKr 72.4m on turnover of NKr 1.36bn, and this year's budget foresees a profit of NKr 90m on NKr 1.66bn. The company is at present owned 60 per cent by Det norske Veritas (DnV), the Norwegian ship and rig classification body, and Kongsberg Vapenfabrikk (KV), a state-owned electronics, engineering ammunitions firm.

The remaining 40 per cent is spread among a number of interests. About half the new issue is expected to be bought by foreigners.

Lower margins depress Chubb Holdings results

BY JIM JONES IN JOHANNESBURG

CHUBB HOLDINGS, the South African security services firm which is 72 per cent-owned by Chubb of the UK—now part of Racal Electronics—increased turnover significantly in the financial year ended March 31. But the company had to contend with lower margins due to increased price competition and substantial increases in the rand prices of imported goods.

Turnover increased by 37.5 per cent to R63.8m ($32m) from R46.4m, while trading profit before interest and tax rose by 8 per cent to R5.06m from R4.69m. Pre-tax profit fell to R2.42m from R3.43m due to higher interest charges and foreign exchange losses.

The physical and fire security divisions both improved trading profits. Conversely, the electronic security division's trading profit fell.

Mr Dirk Ackerman, managing director, says that following Racal's successful bid for Chubb and Son there are plans to expand Chubb's electronic security operations in South Africa.

Earnings per share dropped to 29.7 cents from 46.9 cents and the total dividend has been cut to 16 cents a share from 27.

Mr Ackerman warns that the building industry is likely to remain depressed until some time in 1986 and that as a result the Chubb divisions which serve the building sector will continue to be affected.

Steady profits at Perstorp

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

PERSTORP, the Swedish chemicals and plastics group, maintained profits at a high level in the first eight months of the current business year with earnings after financial items of SKr 225m ($25.4m) compared with SKr 221m a year earlier.

In the eight months to the end of April group sales increased by 14 per cent to SKr 2.35bn, from SKr 2.06bn a year earlier.

The company said that it was now in a "period of declining business trends," but that aggressive investments should counter weaker demand.

Group profits for the full year are expected to be in the range of SKr 310-340m, similar to last year's earnings of SKr 337m.

Perstorp is currently engaged in a heavy investment programme. Capital spending is expected to reach SKr 250m in the current year, compared with SKr 184m last time.

The group has completed the construction of a new plant for the production of large plastic products for materials handling systems, which contains the largest injection moulding machine in the Nordic countries. In addition another press has been built in Sweden for the continuous production of plastic laminates.

Jury finds for Dornier chief

Two senior executives of Dornier, the West German aerospace group in which Daimler-Benz has a 65.5 per cent stake, have been confirmed in their posts by a West German court after being dismissed by Dornier's supervisory board last February.

The jury at Ravensburg regional court overturned the dismissal of managing board chairman Manfred Fischer and board member Karl-Wilhelm Schaefer on grounds that the supervisory board had not followed correct procedures. Both men have been at their jobs since April after winning a temporary injunction against their sacking pending yesterday's decision.

The jury found that workforce members of the supervisory council had not been adequately informed of the reasons for the dismissal of the two men. The supervisory board has the right to appeal against the ruling.

Reuter

Coastal expects to sell Antwerp refinery soon

BY OUR FINANCIAL STAFF

COASTAL Coporation, the Houston-based energy group, expects to sell its Antwerp refinery soon to European interests, Mr James Paul, president, told the company's annual meeting.

The company said in December that it would close permanently the 65,000 barrels a day oil refinery, which it had bought from Occidental Petroleum five years earlier. Coastal said the refinery had been losing money for some time.

Mr Paul told shareholders that the sale would result in a tax loss but no book loss because of a write-off when the refinery was closed. The Belgian operations have a net book value of less than $5m.

Mr Paul said Coastal would soon refinance the short-term floating rate debt it added to pay for its recent $2.4bn takeover of American Natural Resources with longer term obligations and "take steps to reduce exposure to possible future interest rate fluctuations."

"Considering the substantial cash flow we expect from the combined companies, we do not consider the debt unreasonably high," he said. Later he estimated the combined companies 1985 cash flow at $30 to $35 a share.

PGSI increases dividend despite decline in income

BY OUR JOHANNESBURG CORRESPONDENT

PLATE GLASS and Shatterprufe Industries (PGSI), South Africa's largest glass processor, increased sales by almost one-third in the past financial year. However, much of the increase came from low margin timber indent trading and, as a result, overall margins and operating profit both declined.

But the total dividend has been lifted to 105 cents a share from 100 cents, even though earnings fell to 200.7 cents a share from 220.2 cents.

Turnover increased by 29.4 per cent to R1.15bn ($575m) in the year to March from R886m. Operating profit before interest and tax slipped to R101.9m from R116.5m. Interest payments almost doubled which contributed to a 21.4 per cent drop in pre-tax profit to R83.8m from R106.6m.

The directors say PGSI is budgeting for a marginal earnings improvement in the current fiscal year. But they warn that in view of current economic trends in South Africa, budgets must be viewed with circumspection.

● Significant increases in provisions for bad debts and non-performing loans have hit Hill Samuel, the 76 per cent-owned South African subsidiary of Hill Samuel Group of the UK. Pre-tax income fell to R1.03m ($515m) in the year ended March 31 from R4.66m. Taxed profit attributable to ordinary shareholders was R663,000 against R3.57m previously.

Earnings have fallen to 9.9 cents a share from 53.1 cents. The directors have decided not to pay a final dividend as a means of conserving capital resources. An unchanged interim of 12.5 cents was paid: in the previous year a final of 19 cents a share was declared.

Tokyo quote for Philip Morris

PHILIP MORRIS, the U.S. tobacco group, will apply this month to list its shares on the Tokyo Stock Exchange, Daiwa Securities said as lead underwriter, Reuter reports from Tokyo.

Application will be made about June 19 and permission should be granted about three months later.

Philip Morris is seeking both to raise funds and increase Japanese public awareness of its products following the deregulation on April 1 of Japan's tobacco industry.

LONDON TRADED OPTIONS

Option		Calls Jly.	Calls Oct.	Calls Jan.	Puts Jly.	Puts Oct.	Puts Jan.
B.P. (*350)	460	73	28	—	3	7	—
	300	55	25	67	5	12	20
	550	18	27	42	33	38	49
	600	2½	12	26	65	85	37
Cons. Gold (*546)	460	84	100	...	2	4	—
	500	45	07	74	7	14	20
	350	20	40	45	27	42	50
	600	6	18	24	70	73	82
Courtaulds (*141)	130	14	21	23	1½	3	0
	140	7	13	18	5½	8	10
	160	1½	3½	9	26	23	24
Com. Union (*223)	180	48	51	..	3	4	—
	200	41	36	43	4	8	11
	220	19	28	33	0	14	18
	240	3	16	24	90	24	28
G.E.C. (*176)	180	11	22	28	0	11	13
	200	4	9	13	20	20	28
	220	2	4	—	44	46	—
	240	1	—	—	68	—	—
Grand Met. (*293)	080	23	30	38	4	7	10
	300	[illegible]	20	25	14	18	22
	330	[illegible]	8	13	40	45	42
I.C.I. (*766)	700	80	94	104	4	8	16
	750	47	57	70	14	23	30
	800	20	34	40	40	33	00
	850	4	17	—	00	03	—
	900	3	8	..	140	143	—
Land Sec. (*286)	280	16	25	32	4	7	8
	300	[illegible]	15	22	13	18	21
	330	2	5	11	44	43	43
Marks & Sp. (*137)	120	21	27	—	2	3	—
	130	12	19	24	3	3	7
	140	6	14	16	7	10	13
	160	1½	5	7	23	28	29
Shell Trans. (*690)	600	105	—	..	4	—	—
	650	55	70	83	6	11	13
	700	17	40	55	20	32	37
	750	[illegible]	20	60	25	07	70
	800	[illegible]	6	—	110	112	..
Trafalgar Hse (*366)	[illegible]	[illegible]	58	59	1	4	..
	330	[illegible]	—	—	—	—	8
	353	24	36	35	6	12	91
	360	[illegible]	15	21	35	23	31
	383	[illegible]	—	—	—	—	—
	390						

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
BAT Inds. (*523)	500	[illegible]	50	55	6	0	14
	550	[illegible]	30	38	18	25	35
	600	[illegible]	15	—	42	45	..
	650	[illegible]	—	—	70	75	..
Barclays (*379)	360	—	—	55	—	—	13
	390	[illegible]	10	[illegible]	35	24	57
	420	—	—	—	65	67	—
	460	6	10	—	—	—	—
Brit. Aero (*378)	330	18	25	35	15	27	32
	360	5	14	20	45	50	33
	390	—	7	—	63	87	—
Brit. Telecom (*196)	140	28	—	—	1	—	—
	160	42	45	—	1	1	—
	170	[illegible]	35	—	1	—	—
	180	[illegible]	27	35	12	5½	8
	190	[illegible]	10	25	27	15	17
	200	9	8	15	—	29	30
	220	—	—	—	—	—	—
Imperial Gp. (*156)	160	10	27	31	4	6	9
	180	[illegible]	15	21	15	17	21
	200	4	8	—	40	53	—
	220	[illegible]	—	—	—	—	—

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
LASMO (*273)	250	35	45	55	8	12	14
	280	22	52	38	17	22	27
	293	14	25	—	26	35	—
	500	—	—	30	—	—	38
	323	10	15	—	53	33	—
	333	a	10	—	80	25	—
Lonrho (*179)	140	30	—	—	1½	—	—
	160	20	25	29	3½	a	e
	180	8	12	16	19	16	18
	200	4	—	—	31	—	—
P. & O. (*503)	300	75	—	—	0	—	—
	350	48	37	53	2	7	8
	300	28	42	50	10	20	22
	300	16	23	28	30	33	37
	400	4	—	—	33	—	—
Racal (*180)	180	00	28	34	a	11	13
	200	0	13	92	51	04	22
	230	3	a	—	36	36	—
	240	1	—	—	83	—	—
R.T.Z. (*377)	350	37	27	74	0	13	33
	600	27	37	47	32	44	30
	650	10	20	—	73	80	—
	700	4	10	—	125	125	—
Vaal Reefs (*800)	80	13½	17½	20	3½	8½	7½
	90	8½	11	15½	8	10½	12
	100	4½	8½	8½	14	12½	17½
	110	0¼	3¼	—	81½	93½	—
Ex10% 1989 (*£80)	90	0	—	—	0¼	—	—
	00	4	4½	—	0¼	0½	—
	94	0¼	3¼	3½	0¼	0¾	0½
	06	0¼	1¼	0½	0¾	1¼	1¼
	98	0¼	—	—	2¾	—	—

Option		Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
BTR (*383)	330	37	50	62	1	10	13
	373	16	37	47	7	13	23
	500	—	22	28	—	53	32
Beecham (*375)	330	47	33	60	1½	3	6
	360	82	30	40	7	14	18
	390	6	19	18	25	30	37
Bass (*357)	300	60	84	23	2	a	4
	560	90	42	37	12	08	30
	600	2	17	30	47	32	53
De Beers (*53.35)	490	120	133	—	2	8	—
	460	80	105	120	3	20	55
	300	43	70	90	8	37	30
	330	13	33	33	30	65	77
GKN (*252)	180	53	30	—	2	2	—
	800	33	30	—	2	2½	—
	220	12	93	31	3	8	10
	240	4	12	17	13	17	20
Hanson (*224)	127	38	43	—	1½	2	—
	200	26	32	42	a	a	8
	220	11	21	28	3	19	17
	240	5	11	20	20	25	20
Jaguar (*299)	280	21	33	42	3	12	20
	300	8	22	52	10	25	31
	330	2	8	13	30	41	42
	360	0½	3	—	69	90	—
Tesco (*203)	233	27	38	43	1½	3	6
	236	12	27	39	7	13	20
	280	3	10	13	28	32	33
FT-SE Index (*1311)	1200	113	133	—	1½	10	—
	1250	67	87	107	3	20	33
	1300	30	00	75	14	44	37
	1350	3	33	49	47	78	90
£:$ (*126.9acts)	120	7.30	8.70	8.70	0.10	3.03	3.33
	123	2.36	3.90	7.10	0.55	5.40	7.90
	150	0.53	5.80	3.20	3.70	8.10	10.80
	133	—	2.90	3.80	—	11.60	14.10

June 7 Total contracts 7,383 Calls 4,327. Puts 8,789
* U ndeying security price.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$320	13	10	—	—	—	—	$314.90
GOLD C	$340	3	4.90	13	10	—	—	"
GOLD C	$300	121	1.80	108	a	—	—	"
GOLD P	$320	—	—	1	14	—	—	"
		June		Sept.		Dec.		
SILVER C	$500	3	20	—	—	—	—	$815
SILVER C	$800	10	23	—	—	—	—	"
SILVER P	$700	1	85	—	—	—	—	"
$/FL C	Fl.345	33	4.50 B	—	—	—	—	$346.00
$/FL C	Fl.350	11	0.10 B	20	10.30 B	—	—	"
$/FL C	Fl.335	100	1.10	—	—	—	—	"
$/FL C	Fl.360	—	—	8	2.50	1	10	"
$/FL C	Fl.365	—	—	160	0.30	102	0	"
$/FL C	Fl.370	10	0.30	10	4	3	7.30	"
$/FL C	Fl.373	—	—	118	3	—	—	"
$/FL C	Fl.360	—	—	100	2.30 B	135	a	"
$/FL C	Fl.395	—	—	1	0.60	—	—	"
$/FL P	Fl.323	10	0.30	—	—	—	—	"
$/FL P	Fl.335	020	0.90	13	8.20	—	—	"
$/FL P	Fl.340	070	2	37	10	1	14.80 A	"
$/FL P	Fl.345	3	3	4	12.00	1	17.20 A	"
$/FL P	Fl.350	17	5.60	2	15	—	—	"
$/FL P	Fl.355	—	—	10	18 A	—	—	"
$/FL P	Fl.360	85	14 A	—	—	—	—	"
£/$ C	$123	—	—	2	3	—	—	$127.80
		Jul.		Oct.		Jan.		
ABN C	Fl.450	927	0	85	16.90	9	17.90	Fl.437.50
ABN P	Fl.440	13	2.30	33	8.80	1	8.60	"
AEGN C	Fl.190	479	10.70	214	12.20	2	17 B	Fl.198
AEGN C	Fl.200	494	6.90	455	10.40	33	13	"
AEGN P	Fl.190	82	1.30	171	4.40	6	3.30	"
AH C	Fl.230	250	3.50	148	11	2	13	Fl.231.50
AH P	Fl.230	20	2.40	31	4.80	—	—	"
AKZO C	Fl.110	1193	3.20	043	7.30	110	9.30	Fl.111.50
AKZO P	Fl.110	194	1.90	123	3.30	37	4.90	"
AMRO C	Fl.85	9	0.90	98	2.60	14	3.80	Fl.81.50
AMRO P	Fl.70	—	—	30	0.70	—	—	"
GIST C	Fl.800	—	—	33	3.80	413	0.70	Fl.190
GIST P	Fl.190	42	3	12	3	—	—	"
HEIN C	Fl.130	12	2.50	3	0	—	—	Fl.148.80
HEIN P	Fl.150	25	3.30	32	3	—	—	"
HOOG C	Fl.85	245	0.70	00	2.20	55	3.60	Fl.01
HOOG P	Fl.65	..	—	10	4.00	168	5.60	"
KLM C	Fl.60	659	4.90	287	3.20	10	6.20	Fl.63.10
KLM C	Fl.03	499	1.40	103	0.80	238	3.80	"
KLM P	Fl.60	468	1	39	2.60	3	2.60	"
NEDL C	Fl.170	54	a	6	3.40	11	8.20	Fl.163.50
NEDL P	Fl.160	13	2.20	45	4.30	3	3	"
NATH C	Fl.70	33	0.60	02	1.90	349	3.20	Fl.07.30
NATN P	Fl.67.50	212	1.50	120	3	—	—	"
PETR C	Fr.0,000	—	—	2	350 A	—	—	Fr.6000
PHIL C	Fl.35	293	2.30	44	4.10	25	3.30	Fl.56.60
PHIL P	Fl.60	4	3.50	401	4	—	—	"
RD C	Fl.200	421	2.60	238	5.20	32	8.30	Fl.193.50
RD C	Fl.210	95	0.60	523	3	33	3.30 B	"
RD P	Fl.200	294	5.20	45	10	7	11.80	"
ROBE C	Fl.73	75	2	101	4	1	3.20	Fl.76.80
ROBE P	Fl.75	12	0.30	1	1	223	1.20	"
UNIL C	Fl.360	50	1.90	6	6.50	—	—	Fl.347
UNIL P	Fl.320	—	—	17	1.20	—	—	"

TOTAL VOLUME IN CONTRACTS: 21,645

A=Ask B=Bid C=Call P=Put

WORLD STOCK MARKETS

WALL STREET

Prices slip on profit taking

AFTER A half-hearted attempt at extending the advances of the previous three sessions, Wall Street slipped lower yesterday on profit taking following the lead of bonds, which sagged Thursday and Friday after several weeks of sharp gains.

By 1 pm the Dow Jones Industrial Average was down 6.04 at 1321.24, reducing its rise on the week to 5.83, while the NYSE All Common index, at $110.17, shed 52 cents on the day but held a 54 cents gain on the week. Declines topped advances by a nine-to-five ratio, in a volume up 1.17m shares to $1.39m compared with 1 pm Thursday.

Traders said a buy programme by a large institution propped the market up in early trading but then at least two selling programmes exerted downward pressure.

Eldon Grimm of Birr-Wilson Co, said Thursday's report of a $2.6bn rise in the Money Supply and sluggish retail sales may have deterred investors in addition to profit-taking pressures.

ATT led the actives, off $¼ to $23¼. Merrill Lynch was second, up $⅝ to $32¼.

Gencorp, mentioned in a published *article*, move up $⅞ to $46⅝.

Merck, which gained $3⅜ Thursday, came back $1⅞ to $121¼. MCA reacted $1⅛ to $55⅛, after a $4 advance Thursday.

Exxon continued to slide a further $1⅞ to $50⅛. Sun Co were off $⅞ to $48⅜ and Royal Dutch dipped $1 to $56. The stocks have been under pressure because of declining crude prices.

Schlumberger gave way $⅞ to $37¼.

Sperry Corp, mentioned in the past as a takeover candidate, were lifted $1⅞ to $52⅞.

Trans World Airlines gained $¼ to $19¼—it met with Resorts International to discuss a takeover bid from the casino operator. Resorts International "A" declined $1⅞ to $42⅞ in heavy trading on the American Stock Exchange.

THE AMERICAN S.E. Market Value index was off 1.23 to 228.06, making a loss of 3.63 on the week. Declines led advances by a three-to-two ratio. Volume rose 1.15m shares to 6.84m, compared with 1 pm Thursday.

CANADA

Stocks were down at mid-session in heavy trading.

The Toronto Composite index shed 9.1 to 2746.4, Metals and Minerals 4.4 to 1951.4, Golds 19.7 to 3617.5 and Oil and Gas 49.7 to 3255.3.

Turbo Resources rose 4 cents to 46 cents — it was rescued from insolvency on Thursday by a financial restructuring.

TOKYO

Share prices fluctuated widely in a day of frantic trading, driving the market average through a span of over Y105 to end almost unchanged.

The Nikkei-Dow average closed at 12,716.59, up 0.48 after rising 27.78 at the peak in the first half hour and losing 78.09 at the day's low in the early afternoon. Turnover 900m (720m) shares, two-thirds of which was traded in the morning session.

The broader based S.E. index gained 1.97 to 1,005.70.

Hidden-asset shares that led the morning climb eased later while Blue Chips gained steam after a slow start. Utilities and Oils held steady on the strong yen.

AUSTRALIA

Share prices closed steady in dull trading as investors *recovered from heavy selling early* in the week.

Brokers said markets continued to be cautious, and slowed in the afternoon as investors squared books ahead of a long weekend (Monday being a holiday here).

One of the highlights of the day was the partial recovery of the Gold sector, with the index climbing 17.7 to 860.6.

GERMANY

Foreign investors were avid buyers, sending stock prices up to another record high in hectic dealings. The Commerzbank index soared 27.6 to stand at a record 1,363.4.

Investors were particularly encouraged by recent money market moves by Deutsche Bundesbank, which appeared to be aimed at pushing domestic rates lower.

Friday Deutsche Bundesbank accepted tenders on 28-day securities repurchase agreements at a 5.4 per cent rate, below rates accepted on other recent tenders. The West German Central Bank also lowered the yield on short-term Treasury bills to 5 per cent from 5.3 per cent.

Virtually all share sectors ended the day higher, but Banking, Motor and Machinery stocks made especially sharp gains. Individual shares generally rose by between DM 3 and DM 6.

Prospects for declining interest rates gave the Banking sector the biggest boost. Deutsche Bank put on DM 11 to 552xd, followed by Commerzbank, which gained DM 3.50 to 211.5.

Blue Chip motor stocks were also up sharply. Volkswagen AG jumped DM 11 to 278 on news that it was operating at full capacity and experiencing a strong gain in domestic orders.

SWITZERLAND

Domestic stock prices closed mostly higher in heavy trading as Thursday night's strong performance on Wall Street and favourable domestic company news continued to underpin markets.

Gaining shares prevailed in all sectors although profit-taking brought down some recently favoured stocks. Buying interest focused on "second-liners," while Blue Chips showed relatively small price movements.

HONG KONG

The market fell sharply in reaction to the announcement Thursday that Overseas Trust Bank Ltd of Hong Kong was insolvent and had been closed by the Government.

The Hang Seng Market index dropped 86.95 to 1,542.55. The index was off the equivalent of more than 50 points in overnight trading in London, brokers said, and fell more than 33 points during the morning. A ripple of bargain-hunting boosted selected prices marginally in the afternoon.

Despite that late pick up, however, Friday's decline was the sharpest since August 12 1982 when the index fell 100.31.

Yesterday stocks closed lower across the board. The Properties sub-index was down 128.66 to 1,865.77, the Commerce and Industry sub-index 77.07 to 1,313.92 and the Utilities sub-index 70.52 to 1893.02.

Trading throughout the day was heavy at HK$558.08m (HK$275.52m).

The market was dominated by concerns raised by the announcement that OTB was insolvent. On Thursday, the Government shut the bank and its affiliates, and the colony's Financial Secretary ordered a criminal investigation into the bank's affairs.

Brokers described the market's reaction as "panic selling."

Much of the selling was by overseas institutions. "Everything depends on the mood of the fund managers," said one broker. "They probably over-reacted, because the impact of a bank like OTB closing is not that great."

One Fund manager said he will base his investment strategy in Hong Kong on how the Hong Kong Government resolves the OTB crisis. The colony's Policy-Making Executive Council was scheduled to discuss the bank's problems later yesterday.

Among Bank shares, Bank of East Asia was down HK$1.7 to 24.40, Hang Seng Bank HK$4 to 48 and Hongkong and Shanghai Banking 30 cents to 7.80.

SINGAPORE

Prices fell over a broad front on profit taking and stoploss selling in moderate trading, with some Banking stocks recording fairly sharp falls following news of the closure of Hong Kong's Overseas Trust Bank.

The Straits Times Industrial index dipped 8.86 to 800.32 and the S.E. All Share index 2.63 to 283.64. Turnover increased to 9.0m (6.1m) shares.

G. I. Holdings, the most active counter on 913,000 units closed 10 cents lower at S$2.35.

Closing prices for North America were not available for this edition.

NEW YORK

Stock	June 6	June 5
Charter Co	9⅝	2½
Chase Manhatt'n	60½	60⅝
Chemical NY	41½	41½
Chesebr. Pond	34½	34½
Chevron	35½	35¼
Chicago Pneum.	24¼	25½
Chrysler	36¼	36½
Grainger (WW)	66½	66¾
Gt. Atl. Pac. Tea	17¼	17¼
Gt. Nthn. Nekoo	36½	45½
Gt. West Financl.	28¾	90
Greyhound	29½	99¾
Grow Grp.	11½	11½
Grumman	20¼	50¾
Gulf & Western	58⅝	58¼
Gulf States Utl.	15¼	15
Mohasco	50½	51¼
Monarch M/T	16¼	17
Monolithic Mem.	10⅝	10⅝
Monsanto	47⅝	47⅜
Moore McC'mc'k	26	90½
Morgan (JP)	53½	53⅝
Morrison Knud.	41½	41
Safeway Stores	31¼	58⅝
St. Paul Cos	69⅝	69¼
Sanders Assoc	34¼	35⅝
Santa Fe SPac.	30½	51¼
Sara Lee	48⅞	49
Saul Investment	17	17¼
Schering Plough	46¾	47¼
Wrigley	68½	68⅝
Xerox	48¾	50
Yellow Frt Sys.	37¾	37¾
Zapata	11⅝	11⅝
Zayre	05	64½
Zenith	21⅝	98½
Zero	18⅛	18½

Indices

NEW YORK

DOW JONES

	June 6	June 5	June 4	June 3	May 31	1985 High	1985 Low	Since Compil'n High	Since Compil'n Low
●Industrl's	1327.28	1320.56	1315.58	1510.85	1315.41	1327.28 (6/6)	1184.96 (4/1)	1327.28 (6/6/85)	41.29 (5/7/32)
H'me Bnds	80.07	80.20	79.64	79.41	78.95	80.20 (5/6)	72.27 (20/5)	—	—
Transport.	650.85	655.80	651.88	647.85	645.10	650.85 (6/6)	553.05 (4/1)	659.83 (6/6/85)	12.30 (8/7/32)
Utilities	163.98	163.52	163.78	163.26	165.32	164.75 (17/6)	146.54 (4/1)	164.75 (17/5/85)	10.5 (28/4/42)
Trading Vol 000's	117,180	143,870	115,420	125,000	134,140	—	—	—	—

●Day's High 1350.53 (1351.77) low 1311.04 (1312.01)

	May 31	May 24	May 17	year ago (approx)
Industrial div. yield %	4.65	4.70	4.77	0.01

STANDARD AND POOR'S

	June 6	June 5	June 4	June 3	May 31	1985 High	1985 Low	Since Comp'n High	Since Comp'n Low
Indust'ls	211.13	210.03	210.05	200.30	209.85	211.13 (6/6)	128.24 (4/1)	811.13 (6/6/85)	3.62 (30/6/32)
Comp'site	191.06	100.16	190.04	180.32	189.55	191.00 (6/6)	165.68 (4/1)	191.06 (6/6/85)	4.40 (1/6/32)

	May 22	May 15	May 8	year ago (approx)
Industrial div. yield	3.74	3.84	3.92	4.23
Industrial P/E ratio	11.64	11.57	11.14	11.76
Long Gov. Bond yield	10.75	10.98	11.33	13.40

N.Y.S.E. ALL COMMON

June 6	June 5	June 4	June 3	1985 High	1985 Low
110.65	110.24	110.09	109.81	110.69 (6/6)	94.60 (4/1)

Rises and Falls

	June 6	June 5	June 4
Issues Traded	2,008	2,020	2,011
Rises	866	974	1010
Falls	691	618	665
Unchanged	445	437	430
New Highs	220	317	351
New Lows	10	20	17

TORONTO	June 6	June 5	June 4	June 3	1985 High	1985 Low
Metals & Minerals	1955.8	1953.4	1952.4	1956.5	2190.07 (16/2)	1896.0 (4/1)
Composite	2755.6	2766.1	2762.9	2744.7	2766.1 (5/6)	2348.5 (8/1)
MONTREAL Portfolio	135.12	135.56	134.45	134.13	135.56 (5/6)	117.00 (4/1)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Jack Eckerd	1,633,900	30⅛	+4
Allegheny Pwr	1,575,400	24	+⅛
Gen. Motors	1,572,200	74⅛	+2⅜
Halliburton	1,410,400	31⅛	+⅛
Pac. Gas El.	1,324,200	20	—
Ford Motor	1,307,900	43⅝	+⅛
Occidtl Pet.	1,262,400	34⅛	+⅛
Santa Fe	1,200,400	30⅛	−⅛
IBM	1,193,500	129⅛	+1⅛
Litton	1,159,200	87⅞	−⅛

	June 7	June 6	June 5	June 4	1985 High	1985 Low
AUSTRALIA All Ord. (1/1/80)	858.1	858.3	855.8	861.5	864.8 (20/5)	715.3 (7/1)
Metals & Minls. (1/1/80)	516.0	516.7	506.8	510.8	528.0 (20/5)	382.5 (7/1)
AUSTRIA Credit Aktien (2/1/62)	100.24	(c)	99.47	99.17	100.24 (7/6)	85.21 (24/1)
BELGIUM Brussels SE (1/1/80)	2383.54	2383.28	2384.12	2371.17	2384.18 (5/6)	2090.7 (18/1)
DENMARK Copenhagen SE (3/1/83)	181.65	181.73	(c)	181.42	193.04 (24/5)	155.44 (8/1)
FRANCE CAC General (31/12/82)	251.3	251.3	252.0	252.0	253.1 (31/5)	180.5 (3/1)
Ind Tendance (28/12/84)	150.3	150.0	150.6	150.0	130.4 (31/5)	100.1 (3/1)
GERMANY FAZ Aktien (31/12/58)	462.66	(c)	454.64	457.73	462.68 (7/6)	385.33 (3/1)
Commerzbank (1/12/53)	1363.4	(c)	1355.8	1344.2	1366.4 (7/6)	1111.8 (8/1)
HONG KONG Hang Seng Bank (31/7/64)	1542.55	1629.50	1627.82	1643.25	1647.88 (17/5)	1220.74 (2/1)
ITALY Banca Comm Ital. (1972)	311.67	311.95	308.53	305.77	320.01 (23/5)	228.56 (2/1)
JAPAN** Nikkei-Dow (16/5/49)	12716.5	12716.1	12685.2	12583.3	12730.3 (30/5)	11545.2 (5/1)
Tokyo SE New (4/1/68)	1005.7	1003.73	1000.67	991.17	1006.98 (22/5)	916.35 (4/1)
NETHERLANDS ANP-CBS General (1970)	214.5	218.8	218.7	213.5	214.5 (7/6)	185.6 (3/1)
ANP-CBS Indust (1970)	178.1	176.0	175.4	174.6	178.1 (7/6)	147.9 (3/1)
NORWAY Oslo SE (4/1/83)	342.52	341.55	342.51	346.87	345.97 (3/6)	288.18 (2/1)
SINGAPORE Straits Times (1966)	800.32	805.18	812.02	809.13	865.65 (7/3)	784.38 (15/1)
SOUTH AFRICA JSE Gold (28/9/78)	—	1007.8	1012.6	(u)	1140.8 (15/4)	856.1 (11/2)
JSE Indust (28/9/78)	—	969.8	963.5	(u)	976.6 (24/5)	787.1 (7/3)
SPAIN Madrid SE (28/12/84)	110.32	(c)	116.61	110.69	117.41 (4/2)	101.48 (2/1)
SWEDEN Jacobson & P (1/1/58)	1557.63	1542.54	1545.67	1547.90	1488.95 (11/2)	1342.54 (5/6)
SWITZERLAND Swiss Bank Cpn. (31/12/58)	438.4	438.9	438.5	435.8	438.4 (7/6)	388.7 (3/1)
WORLD Capital Intl. (1/1/70)	214.3	—	215.5	214.8	214.3 (7/6)	184.6 (4/1)

** Saturday June 1: Japan Nikkei-Dow 12689.5. TSE 996.97.

Base value of all indices are 100 except JSE Gold—255.7, JSE Industrial—264.3, and Australia, All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

CANADA

Stock	June 6	June 5
AMCA Intl	14⅝	14⅝
Abitibi	19¼	10
Agnico Eagle	15¼	15⅛
Cambell Red Lk.	27¼	27½
Can. Cement Pt.	10⅝	10⅝
Can. NW Energy	22⅝	22½
Can. Packers	29¼	29¼
Can. Trustco	37¼	37¼
Can. Imp. Bank	35½	35⅛
Dome Mines	10⅛	10⅝
Dome Petroleum	3.10	3.05
Domtar	36⅞	37
Falconbridge	80¼	20¼
Fed. Inds A	25⅞	23⅛
Grondis A	29¼	22¼
Loblaw	90	18½
Maemil Bloedel	05	22¾
Marks & Spencer	8⅛	8½
Massey Ferguson	2.20	2.80
McIntyre Mines	30	39⅝
Ranger Oil	4.80	4.80
Reed. St'house A	25⅞	91
Rio Algom	22⅛	22
Royal Bank Can.	31⅛	31¼
Royal Trust A	22¼	22¼

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

هكذا من الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar strong

The dollar rose quite sharply after publication of the May U.S. unemployment figures. These were unchanged at 7.3 per cent, while non-farm employment rose by 345,000. These did not suggest the slowdown in the U.S. economy dealers feared, and Mr Henry Kaufman, of Salomon Brothers commented after the figures that a cut in the Federal Reserve discount rate is now less likely.

The U.S. currency rose through an important resistance point of DM 3.0750, closing in London at DM 3.08 compared with DM 3.0569 previously. It also improved to FFr 9.39 from FFr 9.3225; SwFr 2.5975 from SwFr 2.5715; and Y249.50 from Y248.55. On Bank of England figures the dollar's index rose to 145.6 from 144.9.

Sterling lost 35 points to the strong dollar, closing at $1.2675-1.2685, but improved against other major currencies, as a cut in UK clearing bank base rates also seems less likely

£ IN NEW YORK

	June 7	Prev. close
£ Spot	$1.2678-2688	$1.2780-2790
1 month	0.50-0.95 pm	0.54-0.99 pm
3 months	1.67-1.53 pm	1.00-1.49 pm
12 months	4.25-4.10 pm	4.10-4.05 pm

Forward premiums and discounts apply to the U.S. dollar

OTHER CURRENCIES

June 7	£	$		£ Note Rates
Argentina Peso	905.25-805.34	633.77-634.37	Austria	27.20 27.50
Australia Dollar	1.0065 1.9105	1.5026-1.5050	Belgium	79.40-70.20
Brazil Cruzeiro	7,053 7,084	5,560-5,580	Denmark	13.98 14.03
Finland Markka	8.0985 8.1860	6.5760-6.3760	France	11.83 11.94
Greek Drachma	170.50 173.95	133.86-136.85	Germany	3.88-3.02
Hong Kong Dollar	9.8600 0.9700	7.7700 7.7750	Italy	2470 2505
Iran Rial	119.50*	82.25*	Japan	316-320
Kuwait Dinar (KD)	0.3859 0.5844	0.30860-0.50275	Netherlands	4.37 4.41
Luxembourg Fr	78.55 72.65	61.98-62.05	Norway	11.17 11.28
Malaysia Dollar	5.1215 3.1296	2.4600-2.4630	Portugal	215-230
New Zealand Dlr.	2.2190 2.9970	2.2220-2.2270	Spain	215¼-223
Saudi Arab Riyal	4.6783 4.5844	5.6093-3.6088	Sweden	11.82 11.53
Singapore Dollar	2.9140 2.8210	2.2180-2.2200	Switzerland	3.26 5.28
Sth African Rand	2.5280 2.5410	1.9930-1.3970	United States	1.26-1.29
U.A.E. Dirham	4.6570 4.6647	3.0720-3.6750	Yugoslavia	355-560

* Selling rate.

STERLING INDEX

	June 7	Previous
8.30 am	79.4	79.2
9.00 am	79.4	79.1
10.00 am	79.4	79.2
11.00 am	79.4	79.1
Noon	79.5	79.2
1.00 pm	79.5	79.1
2.00 pm	79.5	79.2
3.00 pm	79.5	79.2
4.00 pm	79.3	79.2

POUND SPOT—FORWARD AGAINST POUND

June 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2660-1.2776	1.2675-1.2685	0.55-0.52c pm	0.06	1.50-1.45pm	4.65
Canada	1.7358-1.7411	1.7376-1.7405	0.49-0.37c pm	2.86	1.28-1.12pm	2.83
Nethlnd.	4.39¾-4.41½	4.39½-4.40½	2¼-2c pm	5.62	6½-5¾pm	5.48
Belgium	78.56-78.87	78.55-78.65	26-23c pm	3.89	75-66pm	3.59
Denmark	13.98-14.10½	14.08½-14.10½	3¾-2¾ore pm	2.77	10¾-9½pm	2.87
Ireland	1.2392-1.2484	1.2469-1.2478	0.14p pm-0.02dis	-0.58	0.26pm-.17d	-0.14
W. Ger.	3.88½-3.91½	3.90½-3.91½	2¾-2¼pf pm	7.10	6¾-6¼pm	9.65
Portugal	219½-226	220-224	95-415c dis	-13.78	305-1200dis	-13.56
Spain	221-222½	221½-222½	30-50c dis	-2.15	125-175dis	-2.70
Italy	2,475½-2,492½	2,482½-2,483½	1-4 lire dis	-1.21	7-10dis	-1.37
Norway	11.21½-11.28	11.22½-11.23½	½ore pm-¼ dis	-0.07	½-1dis	-0.20
France	11.85¾-11.92¾	11.89-11.90	2¾-2¼c pm	2.52	6¼-5½pm	2.02
Sweden	11.27½-11.32¾	11.29-11.30	3½-4ore dis	-3.98	10½-11¼dis	-3.98
Japan	315½-317½	316-317	1.70-1.60y pm	6.28	4.90-4.75pm	8.10
Austria	27.30-27.55	27.42-27.52	14½-13½gro pm	9.14	40½-36¾pm	5.65
Switz	3.26½-3.29¾	3.28¾-3.29¾	2¼-2c pm	7.76	6½-5½pm	7.30

Belgian rate is for convertible francs. Financial franc 78.85-79.05. Six-month forward dollar 2.60-2.55c pm. 12-month 4.10-3.95c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

June 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2650-1.2775	1.2675-1.2685	0.55-0.52c pm	5.06	1.50-1.45pm	4.65
Ireland†	1.0140-1.0242	1.0150-1.0160	0.43-0.33c pm	4.46	1.30-1.00pm	4.50
Canada	1.3698-1.3715	1.3705-1.3715	0.24-0.27c dis	-2.23	0.64-0.69dis	-1.94
Nethlnd.	3.4405-3.4740	3.4705-3.4715	0.19-0.16c pm	0.61	0.67-0.83pm	0.75
Belgium	61.50-62.10	61.95-62.05	0-7c dis	-1.26	15-17dis	-1.04
Denmark	10.95¾-11.05	11.04½-11.05	1½-2ore dis	-1.91	4-4½dis	-1.55
W. Ger.	3.05-3.08¼	3.07¾-3.08¼	0.52-0.47pf pm	1.94	1.54-1.49pm	1.98
Portugal	174-178½	175-178½	150-400c dis	-18.78	450-1150dis	-18.21
Spain	173.45-175.17	174.40-174.80	105-115c dis	-7.58	320-360dis	-7.70
Italy	1,948-1,963	1,958-1,959	10-10½ lire dis	-0.37	30-30½dis	-6.22
Norway	8.81-8.87½	8.84-8.84½	3½-4ore dis	-5.09	10¾-11¼dis	-4.98
France	9.31½-9.39½	9.38¾-9.39¼	1.98-2.08c dis	-2.61	6.45-6.75dis	-2.83
Sweden	8.85¾-8.89¼	8.88¾-8.89¼	6¾-6¾ore dis	-2.80	19-19½dis	-2.98
Japan	248.05-249.55	249.45-249.55	0.32-0.26y pm	1.40	0.88-0.79pm	1.33
Austria	21.45-21.66	21.55-21.65	2.30-1.50gro pm	1.06	5.60-4.00pm	0.98
Switz	2.5640-2.5990	2.5970-2.5980	0.58-0.52c pm	2.56	1.69-1.62pm	2.56

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.25-62.35.

EXCHANGE CROSS RATES

June 7	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.268	3.910	316.5	11.90	3.288	4.403	2483.	1.730	78.60
U.S. Dollar	0.789	1.	3.080	249.5	0.590	2.599	3.471	1958.	1.371	62.00
Deutschemark	0.256	0.324	1.	80.06	5.042	0.841	1.106	635.0	0.445	80.10
Japanese Yen 1,000	3.160	4.006	12.33	1000.	37.58	10.59	13.91	7845	3.494	248.3
French Franc 10	0.841	1.056	5.287	266.1	10.	2.764	5.701	2087.	1.462	66.08
Swiss Franc	0.304	0.386	1.189	96.27	3.619	1.	1.350	755.5	0.530	25.01
Dutch Guilder	0.227	0.288	0.889	71.99	8.709	0.747	1.	564.0	0.395	17.65
Italian Lira 1000	0.405	0.511	1.575	127.6	4.701	1.324	1.775	1000.	0.700	31.60
Canadian Dollar	0.675	0.720	2.242	182.0	6.840	1.880	2.552	1429	1.	45.20
Belgian Franc 100	1.272	1.615	4.979	402.7	15.13	4.185	5.601	5100.	2.219	100.

MONEY MARKETS

Rates steady

Interest rates held steady on the London money market yesterday. Three-month interbank eased slightly to 12 5/16-12 7/16 per cent at the close from 12⅜-12½ per cent previously, while discount houses buying rates for three-month eligible bank bills were generally at 12 per cent, compared with 11 31/32-12 1/32 per cent. Dealers reported a slight air of nervousness as far as sterling was concerned, because of oil price worries ahead of the meeting of the Organisation of Petroleum Exporting Countries at the end of this month.

UK clearing banks base lending rate 12½-12¾ per cent since April 19

Hopes of lower interest rates were set back after the UK money supply figures earlier this week. These were much as expected but left M3 well above target, while yesterday's unchanged U.S. unemployment figures may have taken the pressure off for an immediate cut in the Federal Reserve's discount rate.

The Bank of England forecast a money market shortage of £900m, but later revised this to £800m, and provided total help of £788m.

An early round of help was offered, but at that time the authorities bought only £10m bank bills outright in band 2 (15-33 days maturity) at 12¼ per cent. Another £201m bills were purchased before lunch, including £73m outright, by way of £47m bank bills in band 2 at 12¾ per cent; £23m bank bills in band 3 (34-63 days) at 12⅛ per cent; and £3m bank bills in band 4 (64-91 days) at 12 per cent. A further £128m bills were bought for resale to the market in equal amounts on July 9 and 10 at 12⅛ per cent.

In the afternoon the Bank of England bought £577m bills, of which £194m were purchased outright, through £179m bank bills in band 2 at 12¼ per cent; £14m bank bills in band 3 at 12⅛ per cent; and £1m bank bills in band 4 at 12 per cent. The help was completed by the purchase of £383m bills for resale to the market on July 3 and 4 at 12⅛.

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

June 7 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	5-13	12¾	11-12⅝	0-12¾	—	—	—	—	—
2 days notice	—	—	12⅝-12¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅝-12⅞	12⅝	12⅞	12⅝-12¾	—	—	—	—	—
One month	12¾-12⅝	12⅝-12¾	12⅝	12⅞	12⅝	12⅛	12⅛	12¼	12	12⅞
Two months	12 5/16-12 3/16	12½-12⅝	12½	12⅝	12½	12⅛	12	12⅛	12	12¾
Three months	12 5/16-12¼	12 5/16-12½	12⅜	12⅝	12⅛	12	11⅞	12	11⅞	12⅝
Six months	12⅛-12	12 3/16-12 1/16	12¼	—	—	—	—	11⅞	11⅝	12⅛
Nine months	11 15/16-11 13/16	12-12⅛	—	—	—	—	—	—	—	—
One year	11⅞-11¾	11⅞-12 1/16	11⅞	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	13⅛-13⅛	—	12⅝	7.35-7.45	7⅝-7⅞	9 7/16-9 5/16
Two months	13⅛-12⅞	—	12⅝	7.36-7.46	7⅝-7⅞	9 7/16-9 3/16
Three months	13-12¾	—	12⅝	7.35-7.45	7⅝-7⅞	9 3/16-9 5/16
Six months	12⅝-12⅝	—	12¼	7.5-7.6	7 11/16-7 15/16	9 1/16-9 5/16
Nine months	12½-12¼	—	12 3/16	7.7-7.8	—	—
One year	12⅝-12½	—	12	7.85-7.95	7⅝-8 1/16	9⅜-9½
Two years	—	11¾	—	—	—	—
Three years	—	11 11/16	—	—	—	—
Four years	—	11⅞	—	—	—	—
Five years	—	11⅞	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period May 8 to June 4 (inclusive): 12.677 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 13 per cent from June 1, 1985. London and Scottish Clearing Bank Rates for lending 12½-12¾ per cent. Bank Deposit Rates for sums at seven days' notice 6.65-7.25 per cent (net). Treasury Bills: Average tender rate of discount 11.8517 per cent. Certificates of Tax Deposits (Series 2): Deposits £100,000 and over held under one month 12¾ per cent; one-three months 12¾ per cent; three-six months 12½ per cent; six-nine months 12¼ per cent; nine-12 months 12¼ per cent. Under £100,000 11¾ per cent from May 14. Deposits held under Series 3 12¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. June 7)

Three months U.S. dollars

bid 7 7/16 : offer 7 9/16

Six months U.S. dollars

bid 7 11/16 : offer 7 13/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

June 7	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	12 5/16-12 7/16	7¼-7⅞	9⅞-10¼	7-7⅛	1¾-2	5½-5⅝	10 1/16-10 5/16	15-14	8¾-9¼	8½-9½	5-6½	10-10½
7 days' notice	12 7/16-12 9/16	7½-7⅝	9½-9¾	7-7⅛	2⅛-2⅜	5½-5⅝	10 1/16-10 5/16	15½-14½	9½-9	8½-9½	6⅛-6½	9¾-10¼
Month	12 5/16-12 7/16	7 5/16-7 7/16	9⅝-9¾	6 7/16-6 9/16	4 7/16-5 1/16	6 1/16-5 3/16	10 1/16-10 5/16	13⅝-13⅞	8½-8	8⅛-8⅜	6 5/16-6 7/16	9¾-10¼
Three months	12⅜-12½	7 5/16-7 7/16	9⅝-9¾	6 7/16-6 9/16	5-5⅛	6 1/16-5 3/16	10 1/16-10 3/16	13⅝-15⅛	8½-9	8⅛-9	6¼-6⅜	9⅝-9⅞
Six months	12 5/16-12 7/16	7 15/16-8	9⅞-9 15/16	6 5/16-6 7/16	5 1/16-5 3/16	5⅝-5⅞	10 5/16-10 7/16	15⅜-13¾	8⅝-9⅛	8½-9	6⅛-6⅜	9⅜-9⅝
One year	11 15/16-12 1/16	9¼-9⅜	9⅞-10 1/16	6⅝-6¾	5 1/16-5 3/16	5 9/16-5 11/16	10 5/16-10 7/16	15⅛-14	9½-9⅝	9-8½	6 3/16-6 5/16	9⅞-10

Asian $ (closing rates in Singapore): Short-term 7⅛-7¼ per cent; seven days 7⅛-7¼ per cent; one month 7⅛-7¼ per cent; three months 7⅜-7½ per cent; six months 7⅝-7¾ per cent; one year 8-8¼ per cent. Long-term Eurodollars: two years 9¼-9½ per cent; three years 9 11/16-9 15/16 per cent; four years 10-10¼ per cent; five years 10¼-10½ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1985 High	1985 Low
METALS					
Aluminium	$1080/1110				
Free Market c.i.f.	$1080/1110		£1870/1900	$1180/1210	$1080/1110
Antimony					
Free Market 99.6%	$2600/2700	—100	£3350/3380	$5875/3150	$2650/2550
Copper Cash High Grade	£1113.5	—8	£1007.75	£1359	£1115.5
3 months Do. Do.	£1129.75	—5.5	£1023.5	£1351.75	£1126.5
Gold per oz.	$314.5	—1.5	$386.5	$333	$284.78
Lead Cash	£298.5	+7.75	£340.0	£381.5	£290.3
3 months	£300.75	+2.5	£345.25	£353.5	£295.25
Nickel					
Free Market c.i.f. lb.	250/280c	+2	215/235c	250/280c	215/245c
Palladium per oz.	$82.50	—1.40	$152.50	$129.85	$97.50
Platinum per oz.	$264.50	—2.25	$356.50	$301.25	$244.25
Quicksilver (76 lbs.)	$280/290	+10	$295/305	$300/310	$280/290
Silver per oz.	479.25p	—1.45	552.00p	576.90p	474.60p
3 months per oz.	493.25p	—1.25	567.40p	594.90p	488.70p
Tin cash	£9600.5	+12.5	£9090.5	£10,227.5	£9050
3 months	£9527.5	+77	£9025.5	£10,232.5	£9225.5
Tungsten Ind.	£75.89	+3.54	£84.21	£84.36	£74.38
Wolfram (22.04 lb.)	$58/62	—5	$85/89	$75/78	$58/62
Zinc cash	£583	—13.5	£769.5	£844.5	£583
3 months	£595	—11.75	£569.5	£822.5	£584.5
Producers	$950		$1,050/1,090	$950	$950
GRAINS					
Barley Futures	£98.25t		£107.10	£117.40	£97.95
Maize French	£147.00	—2	£152.50	£152.20	£146.50
WHEAT Futures	£98.45t	—0.3	£107.60	£124.25	£98.15
SPICES					
Cloves	£3,250		£5,200	£4,200	£3,250
Pepper white	$5,500		$3,250	$5,600	$3,300
black	$3,025	+195	$1,850	$5,100	$2,150
OILS					
Coconut (Philippines)	$510y		$1,390	$950	$510
Palm Malayan	$560w		$1,000	$725	$560
SEEDS					
Copra (Philippines)	$390w		$840	$575	$370
Soyabeans (U.S.)	$236.0t		$529.2	$255.4	$225
OTHER COMMODITIES					
Cocoa Futures Sept.	£1766.5	—20	£1860	£2,266.5	£1735.5
Coffee Futures Sept.	£2126.0	—11	£2250	£2,457	£2027.5
Cotton Index	63.50c	—0.7	85.15c	71.85c	63.10c
Dess. Coconut	£800	—35	£1140	£1,250	£640
Gas Oil Fut. July	0210.5	—0.75	£245.75	£235.0	£210.5
Jute UA BWC grade	$730		$500	$960	$730
Rubber kilo	64p	—1	64.5p	70p	62p
Sisal No. 3	$630		$650	$670	$630
Sugar (Raw)	$83.5y	—5.5	£109.5	£112.5	£83.5
Tea (quality) kilo	250p		294p	340p	250p
(low med.) kilo	119p		320p	255p	115p
Wooltops 64s Super	460p kilo	—8	476p kilo	524p kilo	460p kilo

* Unquoted. (g) Madagascar. (x) June. (y) June-July. (w) July. (t) Sept.

REVIEW OF THE WEEK

Brazil frost fears lift coffee market

BY OUR COMMODITIES STAFF

RENEWED CONCERN about Brabilian weather prospects sparked off a sharp rally on the London coffee futures market yesterday which wiped out most of the losses sustained earlier in the week.

Receding fears about the possibility of frost hitting Brazil's coffee growing regions had earlier allowed values to slide. But a report issued yesterday by Accu-Weather, a private forecasting service, said although it expected temperatures to hold above critical levels in the near future the chance of a slight frost hitting southern parts of the Brazilian coffee belt could not be ruled out. This was enough to send the speculators back into the market and by last night's close the September position had regained £51.50 of its preceding £63.50 decline to end the week £11 lower on balance at £2,126.50 a tonne. At one stage yesterday September coffee had reached £2,154 a tonne, the highest level for four weeks.

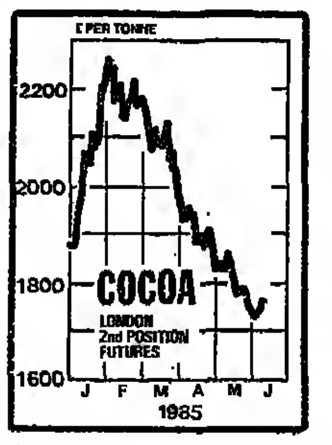
London dealers commented yesterday that chart patterns and fundamental supply/demand factors for coffee remained bearish and, apart from periodic dips in the value of sterling, it was left to the Brazilian weather picture to provide any upward impetus for prices.

The firmness of sterling kept cocoa futures values under pressure but the resulting falls were limited by reports of low Brazilian arrivals and good manufacturer demand. The September position on the London futures market ended the week £20 down at £1,766.50 a tonne, after rising £6 yesterday. As with coffee, chart patterns and fundamental factors remained bearish, dealers noted.

Sugar values remained under pressure throughout the week reflecting profit-taking following low prices charged for a 200,000-tonne Venezuelan purchase, a bigger-than-expected weekly EEC export authorisation and speculative selling.

London sugar futures hit life-of-contract lows yesterday as values followed the easier trend on the New York market. In the morning the London daily raw sugar price was fixed at $83.50 a tonne, down $7.50 on the week and only just above the 15-year low of $83 set on May 8.

On the London Metal Exchange (LME) a combination of lower prices in New York (where a significant chart support point was breached), steadier sterling against the dollar, and lack of follow-through to recent Chinese buying pushed copper values sharply lower yesterday. Earlier gains were wiped out as the cash high grade position lost £27 on the day to end the week £8 down on balance at £1,113.50 a tonne.



The market had begun the week on an easier tone reflecting the pound's strength and news of a surprise rise in LME warehouse stocks last week. The stocks figure had been forecast to fall by about 3,500 tonnes but in fact rose by 600 tonnes, its fourth weekly rise in succession.

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	850.1	—4.5	820/826
3 months	859.5	—5	855/847

Official closing (am): Cash 826.5-7 (833.4); three months 848-9 (856-5); settlement 827 (834). Final kerb close: 854-5. Turnover: 22,425 tonnes.

COPPER

Higher grade	Unofficial close	+ or —	High/Low
Cash	1113-4	—27	1122-1121
Three months	1129.5-30	—28	1144-1128.5

Official closing (am): Cash 1,120.5-21 (1,137.5-8.5), three months 1,137-8 (1,150-51), settlement 1,121 (1,138.5). Final kerb close: 1,131-1.5.

Cathodes			
Cash	1100-5	—21.5	—
Three months	1120-5	—22.5	1120/1120

Official closing (am): Cash 1,107-9 (1,124-5), three months 1,119-20 (1,135-7), settlement 1,109 (1,125). Turnover: 23,625 tonnes. U.S. Producer prices 67/70 cents per lb.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	298.5		
3 months	300.5-1		

Official closing (am): Cash 295.5-6 (299.5); three months 299.5-300 (300-1); settlement 296 (299). Final kerb close: 301.1.5. Turnover: 8,425 tonnes. U.S. Spot: 19-21 cents per lb.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	4360-5	+20.5	4385/4363
3 months	4345-50	+25	4355/4345

Official closing (am): Cash 4,355-8 (4,335-60), three months 4,335-40 (4,355-60), settlement 4,360 (4,350). Final kerb close: 4,370-80. Turnover: 1,140 tonnes.

TIN

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	9600-5	+52	—
3 months	9525-30	+87	—

Official closing (am): Cash 9,565-70 (9,550-60), three months 9,505-15 (9,515-25), settlement 9,570 (9,560). Final kerb close: 9,510-15.

Standard			
Cash	9000.0	+50	9560/9560
3 months	8525-50	+50	8530/8485

Official closing (am): Cash 9,560-5 (9,550-60), three months 8,505-10 (9,515-20), settlement 9,565 (9,555). Turnover: 1,200 tonnes. Straits tin M$29.29 per kilo.

ZINC

	Official close (p.m.) £ per tonne	+ or —	High/low
Cash	583.4	—10.5	584/584
3 months	594-5	—11.75	605/587

Official closing (am): Cash 583-5 (593-5), three months 595-.5 (605-7), settlement 585 (595). Final kerb close: 593.4. Turnover: 11,050 tonnes. U.S. Prime Western: 45.50/47.50 cents per lb.

SILVER

Silver was fixed 2.3p an ounce lower for spot delivery on the London bullion market yesterday at 479.25p. U.S. cent equivalents of the fixing levels were: spot 610.3c, down 1.6c; three-month 621.15c, down 1.55c; six-month 633.75c, down 1.75c; and 12-month 658.9c, down 2.1c. The metal opened at 480½-486p (619-616c) and closed at 481-483½p (610-613c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoff'l	+ or —
Spot	479.25p	—2.3	482p	—1.
3 months	493.25p	—2.25	407.25p	—1
6 months	507.30p	—2.25	—	—
12 months	534.65p	—2.45	—	—

LME—Turnover: 9 (59) lots of 10,000 ozs.

Three months high 497.0, low 494. Final kerb 496.5-8.5.

FREIGHT FUTURES

With a lack of physical news the market remained quiet and prices were contained within a narrow range, reports Clarkson Wolff. The Baltic Freight Index was 933.5, down 1.0.

	Close	High/Low	Prev.
July	936.930	935-930	935-940
Oct.	912-915	914-910	909-911
Jan.	910-919	918-910	908-909
Apr.	970-980	980	965-975
July	900-925	—	900-925
Oct.	970-1010	—	970-995
Jan.	980-1020	—	975-1000
April	1075-1110	—	1065-1105

Turnover: 57 (83).

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
£ per tonne			
July	1774-1775	+1.0	1785-1771
Sept	1766-1767	+0.0	1771-1757
Dec	1745-1744	+2.0	1753-1746
March	1751-1755	—2.0	1758-1750
May	1760-1770	—5.0	—
July	1770-1785	—5.0	1775
Sept	1780-1800	—5.0	—

Sales: 2,466 (3,682) lots of 10 tonnes. ICCO indicator prices (U.S. cents per pound). Daily price for June 6: 96.58 (95.27). Indicator price for June 7: 95.72 (95.58).

POTATOES

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Nov.	61.30	61.70	61.58-61.00
Feb.	69.50	71.70	71.50-71.00
Apr.	80.60	91.50	81.19-80.60
May	85.70	87.80	87.50-86.00

Sales: 232 (276) lots of 40 tonnes.

SOYABEAN MEAL

	Yesterday's close	+ or —	Business Done
	£ per tonne		
June	111.5-115.0	—0.45	—
August	112.5-112.5	+0.50	112.0-111.0
October	116.0-116.2	+1.10	115.0-114.0
Dec.	120.5-121.0	+1.05	120.0-119.0
Feb.	123.0-123.5	+1.00	122.5-122.0
Apr.	127.0-128.0	+1.30	126.8
June	127.0-128.0	+1.00	126.0

Sales: 84 (314) lots of 20 tonnes.

GRAINS

Business done—Wheat: July 117.50-6.50, Sept 98.50-9.40, Nov 101.90 only, Jan untraded, March 105.00-8.90, May untraded. Sales: 54 lots of 100 tonnes. Barley: Sept 98.25 only, Nov 101.90 only, Jan, March and May untraded. Sales: 5 lots of 100 tonnes.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd'ys close	+ or —
July	117.20	+0.56	—	—
Sept.	98.45	+0.05	98.25	+0.10
Nov.	101.90	+0.10	101.90	+0.10
Jan.	105.55	+0.15	105.35	+0.10
Mar.	108.65	+0.15	109.60	+0.10
May.	112.40	+0.15	111.40	+0.05

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 112.80, E. Mids 111.30, N. East 112.80, Scotland 110.60. The UK monetary coefficient for the week beginning Monday June 17 (based on HGCA calculations using 3 days' exchange rates) is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. dark northern spring no. 1 15 per cent July 141.50, Aug 138.75, Sept 138.50, Oct 141.25 sellers transhipment east coast. U.S. no. 2 soft red winter July 122.75, Aug 125.50, Sept 129, Oct 130.50 sellers. EC hard 13 per cent, English feed fob June 113, July 115, Aug/Sept 99.50, Oct/Dec 104.50, Jan/March 110.50 sellers. Maize: U.S. no. 3 yellow/French transhipment east coast June 147.50 sellers. Barley: English feed fob Oct/Dec 116, Jan/Mar 120.50 sellers east coast. Rest unquoted.

PIGMEAT

Month	Yesterday's close	Previous close	Business done
	p. per kilo (deadweight)		
Aug.	100.50	100.60	100.50
Oct.	105.70	105.30	105.60
Nov.	105.70	105.70	105.70
Feb.	99.80	98.70	—
April	98.00	99.50	—
June	96.40	—	—

Sales: 20 (74) lots of 50 carcases, 3,250 kg.

COFFEE

COFFEE	Yesterday's Close	+ or —	Business Done
July	2098.94	+69.0	2097.25
Sept.	2126.27	+51.5	2154-68
Nov.	2155-60	+46.0	2184-37
Jan.	2179-80	+52.0	2204-42
March	2165-75	+30.0	2200-58
May	2160-80	+42.5	—
July	2160-80	+47.5	—

Sales: 4,868 (1,958) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for June 6: Comp. daily 1979 130.74 (130.95); 15-day average 131.64 (131.72).

LONDON DAILY PRICE—Raw sugar $83.50 ($85.50), down $2.50 (down £2.50) a tonne for June-July delivery. White sugar $135.50, down $1.00.

SUGAR

No. 6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
Aug.	86.6-86.8	92.4-92.5	90.0-85.4
Oct.	91.4-91.6	96.4-96.5	95.0-91.4
Dec.	97.0-99.0	102.1-102.0	99.4-97.4
Mar.	110.2-110.1	115.4-115.5	114.0-110.0
May.	114.2-115.4	118.8-119.0	118.0-114.0
Aug.	121.6-122.0	125.2-124.0	124.0-122.0
Oct.	123.0-125.0	127.2-129.0	126.4-124.0

Sales: 1,925 (1,044) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £167.00 a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for June 6: Daily price 2.66 (same); 15-day average 2.79 (2.80).

RUBBER

PHYSICALS — The London market opened unchanged, drifted low throughout the day and closed on an easier note, reports Lewis and Peat. Closing prices (buyers): spot 64.00p (same); July 67.00p (66.75p); August 67.25p (67.00p). The Kuala Lumpur fob price (Malaysian cents a kg) for RSS No. 1 was 196.5 (197.0) cents a kg and for SMR 20 170.5 (178.5).

OIL

The downward trend in Brent and WTI continued. Nymex opened 14c down but by 1 pm EST had recovered most of the losses on the prompt months. In the petroleum products market gas oil continued its slide. Reports of three to four Russian cargoes heading over the next week and a soft Nymex caused buyers to lower their bids or withdraw from the market in the expectation of lower prices next week—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—June		
Arab Light	26.45-26.50	—
Arab Heavy	23.60-24.10	—
Dubai	26.10-26.25	—
Brent Blend	27.20-27.30	—0.70
W.T.I. (1 pm est)	26.60-26.90	—0.15
Forcados (Nigeria)	26.50-26.60	—0.15
Urals (cif NWE)	26.50-26.60	—0.05

PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)

Premium gasoline	282-284	—5
Gas Oil	211-212	—1.5
Heavy fuel oil	128-129	—1.0

* July

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
June	210.50	—0.25	215.75-14.00
July	210.00	—0.50	212.25-09.00
Aug	211.00	—1.25	213.25-10.00
Sept	210.25	—0.75	213.25-11.25
Oct	213.75	—1.25	217.00-16.00
Nov	217.00	—0.50	—
Dec	221.00	—2.00	—

Turnover: 2,068 (1,420) lots of 100 tonnes.

GOLD

Gold fell $¾ to $314¼-314¾ on the London bullion market yesterday, closing at the lowest level of the day. A strengthening dollar after the U.S. unemployment figures, depressed gold. It opened at the day's peak of $315½-316¼ and was fixed at $315 in the morning and $314.50 in the afternoon.

GOLD BULLION (fine ounce) June 7

Close	$314¼-314¾	(£247¾-248¼)
Opening	$315½-316¼	(£248-248½)
M'n'g fix	$315.00	(£247.526)
Aft'n'n fix	$314.50	(£247.480)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$328½-319½	(£251½-252½)
½ Krug.	$166¼-167	(£131½-131½)
¼ Krug.	$85¾-86¼	(£67-67½)
1/10 Krug	$34¼-35	(£27-27½)
Mapleleaf	$323½-324½	(£256¼-256)
New Sov.	$74½-74½	(£58½-59)
½ New Sov	$44½-45½	(£35¼-35½)
Old Sov.	$78½-79½	(£59½-61)
$20 Eagle	$450-490	(£355½-386½)
Noble Plat	$472½-478¾	(£316-219½)

INDICES

FINANCIAL TIMES

June 6	June 5	M'th ago	Year ago
285.10	282.49	284.96	308.13

(Base: July 1 1952 = 100)

REUTERS

June 7	June 6	M'th ago	Year ago
1760.9	1776.9	1885.0	1958.1

(Base: September 18 1931 = 100)

MOODY'S

May 14	May 13	M'th ago	Year ago
921.9	923.9	—	—

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	June 6	June 5	Month ago	Year ago
Spot	117.78	117.47	—	140.63
Fut.	120.91	120.21	—	140.51

(Base: December 31 1974 = 100)

AMERICAN MARKETS

HEATING OIL continued its steady erosion along with the crude oil prices amid rumours of oil price cuts which continue to be denied by the respective Opec members, reports Heinold Commodities. Its largest advance in a long time on indications that the low moisture weather pattern accompanied by high temperatures would extend into next week. Massive commercial and technical buying together with heavy short-covering rallied the market sharply. New buying in oil and short-covering in meal also aided the price advance. Maize moved higher on weather considerations in sympathy with the soyabeans. Wheat closed marginally lower in anticipation of a heavy harvest movement this weekend. Gold and silver generally weakened in response to the pressure on financials and currencies. Copper closed steady after early losses were erased late in the session in anticipation of a decline in LME stocks. Aluminium remained weak on slack demand. Sugar continued lower, reflecting weak demand and relatively good crop prospects. Cocoa remained steady

NEW YORK

ALUMINIUM 40,000 lb. cents/lb

	Close	High	Low	Prev
June	45.80	—	—	49.10
July	46.10	46.30	46.16	46.40
August	40.40	—	—	40.70
Sept	46.75	47.00	46.75	47.05
Dec	47.80	47.95	47.60	48.10
Jan	48.20	—	—	48.45
March	48.85	—	—	49.15
May	49.45	—	—	49.75
July	50.25	—	—	50.55
Sept	50.95	—	—	51.25

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
July	2077	2079	2055	2074
Sept	2045	2051	2037	2043
Dec	2024	2030	2019	2027
March	2034	2036	2027	2035
May	2045	—	—	2043
July	2048	—	—	2048

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
July	140.02	140.40	139.50	140.25
Sept	143.22	143.30	143.25	143.14
Dec	145.82	145.92	147.00	144.32
March	147.88	148.50	147.10	144.95
May	148.88	147.13	147.13	144.50
July	145.00	—	—	41.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
June	60.60	60.50	60.50	60.35
July	60.70	60.80	60.40	60.65
August	61.15	59.80	59.80	61.05
Sept	61.60	61.75	61.40	61.50
Dec	62.65	62.80	61.40	62.35
Jan	62.80	—	—	62.40
March	63.30	63.40	62.90	63.20
May	63.80	—	—	63.70
July	64.20	64.00	63.80	64.05
Sept	64.65	64.85	64.00	64.45

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
July	63.90	63.95	62.95	63.25
Oct	61.80	61.85	61.65	61.60
Dec	61.83	61.98	61.55	61.65
March	62.78	62.85	62.50	62.55
May	63.47	63.47	63.20	63.51
July	63.75	63.75	63.75	63.85
Oct	64.03	64.03	64.02	64.02

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
July	27.05	27.15	26.95	27.12
August	26.62	26.65	26.49	26.62
Sept	26.13	26.17	26.00	26.18
Oct	25.93	25.90	25.78	25.97
Nov	25.79	25.79	25.80	25.80
Dec	25.60	25.60	25.60	25.62
Jan	25.40	25.35	25.15	25.35
Feb	25.10	—	—	25.33

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
June	314.4	315.7	313.0	315.7
July	315.5	—	—	316.2
August	317.7	319.0	316.8	318.9
Oct	321.5	322.5	320.5	322.7
Dec	325.0	326.5	324.0	326.5
Feb	329.3	330.0	328.0	330.5
April	333.2	332.3	332.0	334.5
June	337.2	—	—	338.5
August	341.3	—	—	342.6
Oct	345.5	—	—	346.8
Dec	349.8	—	—	351.1
Feb	354.1	—	—	355.4
April	358.4	—	—	359.7

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Dec	71.20	71.20	70.50	71.90

ORANGE JUICE 15,000 lb. cents/lb

	Close	High	Low	Prev
July	144.30	44.50	42.40	43.20
Sept	141.55	41.60	40.00	40.90
Nov	140.00	40.10	39.90	39.40
Jan	139.70	39.50	33.00	39.00
March	139.60	33.80	33.75	39.65
May	139.60	—	—	38.65
July	139.60	—	—	38.65
Sept	139.60	—	—	38.65
Nov	139.60	—	—	38.65

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
June	264.2	—	—	265.2
July	265.2	268.0	262.0	268.2
Oct	269.3	272.0	267.0	270.8
Jan	274.2	277.0	272.5	275.8
April	279.3	278.5	278.5	280.8
July	235.0	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	4.63	4.70	4.60	4.74

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
June	61.27	61.42	60.50	60.17
August	63.35	63.55	62.80	63.05
Oct	63.00	63.45	62.10	63.05
Dec	64.57	65.20	64.20	64.02
Feb	64.87	65.40	64.52	64.40
April	65.25	65.40	64.80	65.27
June	65.80	66.00	65.70	65.95

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
June	47.02	49.00	47.60	47.60
July	50.72	51.70	50.85	50.60
August	50.80	51.30	50.50	50.57
Oct	47.55	47.55	47.15	47.17
Dec	48.82	48.85	48.87	48.30
Feb	48.22	48.25	48.00	48.40
April	45.43	45.10	45.00	45.30
June	43.15	48.50	40.00	43.30

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Feb	74.13	74.85	73.70	74.25
March	73.97	74.50	73.00	73.95
May	74.70	74.50	74.00	74.70
July	75.01	75.13	74.05	74.05

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	604.0	607.0	590.0	587.0
May	609.0	612.0	600.0	597.4
July	617.4	615.0	605.0	604.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
July	124.6	125.5	120.2	120.2
August	124.1	123.0	122.1	122.5
Sept	130.4	131.0	128.0	125.1
Oct	133.5	134.0	128.9	128.0
Dec	136.2	136.5	130.0	130.0
Jan	139.0	139.5	134.0	133.0
March	145.3	147.4	140.0	140.8
May	149.4	150.0	140.0	143.5
July	150.3	155.0	150.0	155.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
July	31.30	31.95	31.30	31.29
August	30.20	30.75	29.13	29.94
Sept	29.12	29.52	28.50	28.50
Oct	28.03	28.45	27.23	27.67
Dec	28.02	27.45	26.54	26.50
Jan	26.65	26.75	26.00	26.50
March	26.00	26.25	25.55	25.75
May	25.75	25.50	25.55	25.15
July	25.10	24.52	24.52	24.87

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
July	319.4	314.6	312.6	320.2
Sept	321.6	321.6	314.6	322.2
Dec	330.4	331.2	325.4	331.6
March	311.2	312.0	311.2	312.0
May	296.0	297.0	295.4	296.6
July	306.0	307.4	300.0	307.4

SPOT PRICES—Chicago loose lard 16.00 (same) cents per pound. New York tin 564.0-73.0 (same) cents per pound. Handy and Harman silver bullion 613.5 (612.0) cents per troy ounce.

LONDON STOCK EXCHANGE

MARKET REPORT

Weak electricals undermine sentiment in equities

FT index down 6 points at 1001.6

A relatively unexciting week for equities ended on a sour note following a further bout of heavy selling of the recently beleaguered Electrical majors. The sharp shake-out in this area affected confidence generally and other blue chip industrials quickly followed.

Yet another leading broker's downgraded profits forecast for Standard Telephones and Cables, which dipped 8 more to 150p, after 146p, triggered the setback. A late rally left quotations above the worst, but final losses still stretched to 8. Even Thorn EMI, which had been sustained earlier in the week by persistent takeover speculation, fell 7 to 445p, after 435p.

Initially, the tone was no worse than quietly dull with the turnround in sentiment being well illustrated by the Financial Times Ordinary share index which extended a loss of only 0.9 at 11 am to a fall of 12.4 an hour later. A subsequent recovery left the index 6 points down on the day at 1001.6. Earlier in the week the index came to within 4.3 of its all-time peak as hopes ran high for a reduction in interest rates.

From today, Saturday's FT-Actuaries table will appear on the UK Company News page (Page 19), and the London and European options details on the International Companies and Finance page (Page 11)

The announcement of an £86.3m rights issue by English China Clays and the reservation of funds for the forthcoming Abbey Life issue were also thought to have been dampening influences.

The takeover scene was enlivened further by increased offers for both Brammer and Cole Group. Among the sectors, Food retailers remained unsettled by fears of a new price war, while selected Property shares gave ground on the decision to retain private rent controls.

Interest in the Gilt-edged market was mostly confined to Index-linked issues. A good demand here enabled the Authorities to supply stock in Treasury 2 per cent 1990 at 98¼ and Treasury 2½ per cent 2011 at 104⅞. Conventionals, meanwhile, were noteworthy for gains of up to ⅝ in the low coupon shorts following exhaustion of the Treasury 3 per cent 1989 stock on Thursday. Longer maturities, however, traded quietly before settling a fraction easier.

PWS fall 145p

PWS International slumped 145 to 390p on the preliminary figures which were marred by a provision for unexpectedly heavy underwriting losses. Other Lloyd's Brokers gave ground in sympathy. Steel Burrill dropped 20 to 390p and Derek Bryant relinquished 8 to 360p. Willis Faber declined 6 to 692p and Sedgwick dipped 5 to 398p. Life issues, however, remained one of the steadiest areas of the market as buyers continued to be attracted by the possibility of the sector experiencing an explosion in sales of personal portable pension. Legal and General gained 11 to 738p and Prudential put on 7 afresh to 712p, making gains on the week of 50 and 47 respectively.

Sentiment in the banking sector remained clouded by the collapse of the Overseas Trust Bank in Hong Kong. Standard Chartered relinquished 5 afresh to 458p, while falls among the major clearers ranged to 1, with NatWest that much off at 655p. Barclays lost 6 at 382p and Midland receded 5 to 352p.

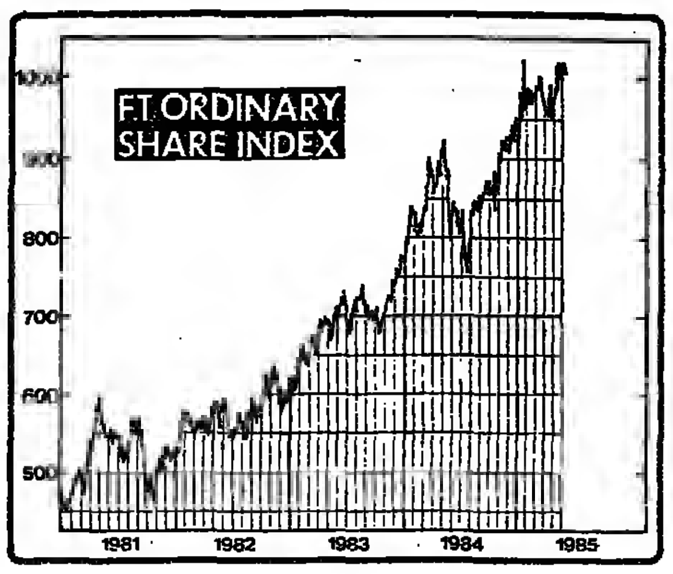
Leading Buildings usually closed above the worst. RMC, a weak market in recent days, fell to 372p following the chairman's warning of lower first-half profits at the annual meeting, before picking up to close 4 cheaper on balance at 376p. BPB Industries settled 7 off at 263p, after 260p, but Redland finished 7 down at the day's lowest of 288p. Blue Circle held up well and were eventually unchanged at 530p, after 527p, while Tarmac remained resilient and hardened a couple of pence to 604p. Elsewhere, French Kier touched 182p on persisting hopes of a bid from Trafalgar House before profit-taking left the close a couple of pence cheaper on the day, but still 23 higher on the week, at 177p. Exeter Building, still reflecting Kent Holdings' 140p tender offer to increase its stake to 29.9 per cent, rose 5 more to 133p. USM-quoted Ramus gained 8 to 70p following an investment recommendation.

ICI drifted back to 757p before picking up on U.S. buying to close unchanged at 766p. Elsewhere, profit-taking clipped 3 from James Halstead at 95p and 4 from Arrow Chemical, at 55p.

Debenhams dip & rally

Activity among leading Retailers again centred on the Burton/Debenhams bid situation: down to 392p at one stage *following a further rejection of* the offer, Debenhams attracted revived support and finished only a couple of pence lower on balance at 401p. It was announced after-hours that the Al-Fayed controlled House of Fraser now holds 5.17 per cent of the equity. Burton, down to 480p earlier, settled a net penny off at 485p.

Secondary Stores traded in subdued fashion. Buyers displayed renewed interest in Our Price, 25 up for an advance on the week of 65 at 585p. Body Shop, hardened 10 to 830p — a five-day gain of 120 — ahead of next Wednesday's half-timer, but Owen Owen met sellers and dipped 20 to 265p. Mail-orders, firm recently after favourable Press comment, lost ground following the liquidation of speculative positions. Freemans gave up 10 to 242p, while Empire dipped 6 to 126p.



A depressing week for Electricals ended with the sector sustaining a further widespread setback. Scrimgeour Vickers & Company's downgraded profits forecast for STC, coming hard on the heels of Simon and Coates' similar move, sparked off a fresh wave of heavy selling of the leaders. Plessey, sold earlier in the week after a disappointing investment seminar, dropped to a 1985 low of 130p before rallying to close 3 easier on the day at 135p. Thorn EMI, which touched 478p on Monday as rumours of a bid from Hanson Trust resurfaced, slipped to 435p before closing 7 down on balance at 445p. Racal gave up 2 to 186p, after 184p and British Telecom softened a couple of pence to 195p, after 193p; the latter's preliminary results are scheduled for June 19. Secondary issues were also hard hit.

Electronic dropped 28 to 355p and Bowthorpe fell 15 to 355p, while Oceonics gave up 15 to 65p and Systems Designers 10 to 88p. Sound Diffusion, annual figures due on Wednesday, lost 8 to 92p. Xyllyx cheapened a penny to 7p following news of the chairman's resignation. Against the trend, United Scientific moved up 9 to 210p on revived takeover rumours.

Profit-taking clipped 8 more from TI at 275p, while Vickers gave up 5 to 280p, after 277p. Elsewhere in Engineerings, Davy, at 108p, lost Thursday's late speculative rise of 6. Babcock remained on offer at 150p, down 5, but Arthur Lee rose 3½ to 44p as buyers began to show an interest ahead of the preliminary results scheduled for June 19. Vosper jumped 25 to 310p on compensation hopes.

Food Retailers, weak late on Thursday on fears of a new price war, went lower still before staging a moderate rally after-hours. Argyll Group, however, gave up 12 to 315p, after 310p, ahead of next Tuesday's annual results, while Kwik Save finished 6 down at 204p, after 202p. Tesco, which fell 17 on Thursday, slipped to 253p before late support left the close 5 firmer on balance at 260p; Tesco's preliminary figures are due next Wednesday. Elsewhere, Northern Foods drifted off to close 8 down at 238p. Tate and Lyle, which surged higher on Thursday amid rumours of a bid *from Hanson Trust*, were a shade easier yesterday, but still 36 higher on the week at 498p. Bio-Isolates continued to attract buyers in the wake of the underwritten rights issue and firmed 2 to 54p, a gain of 24 over the five-day period.

Brammer up on bid

Brammer provided an outstanding feature among secondary miscellaneous industrials, jumping 47 to 405p in response to the increased bid from Bunzl, 10 easier at 465p. Energy Services dropped 6 to 109p; the Bunzl bid is conditional on Brammer's offer for E.S. lapsing or being withdrawn. Bowater, meanwhile, continued to make progress, rising 10 more for a two-day advance of 300p on talk of a bid from Hanson Trust. Comment on Blue Arrow's acquisition and results lifted the shares 12 to 198p, after 200p, while Cote moved up 4 to 188p in reply to the increased and final offer from Robert Moss. Sumie gained 6 to 36p following the results and Ryan International recorded a similar improvement at 30p. Although a fund-raising exercise by English China Clays had already been *well sign-posted, confirmation of* the £86m rights issue which accompanied the interim results saw the shares dip to 252p at one stage before a close of 260p, down 3 on balance. Reflecting the depression currently *surrounding the electrical market*, Applied Computers fell 23 to 172p.

Jaguar, buoyant of late reflecting a combination of U.S. support and sizeable hedging in the Traded Option market, encountered profit-taking to close 7 lower at 291p—still up 26 on the week. Lucas Industries also met sellers and dipped 5 to 307p, but suspension specialists Jonas Woodhead advanced 5 to 36p as IEP Securities increased its stake to almost 18 per cent. Motor Distributors were quietly mixed. Lex Service eased 7 to 208p, but Caffyns, due to announce preliminary figures next Monday, rose 6 to a new peak of 166p.

Publishers lost ground. East Midland Allied Press A shed 5 to 133p; the full-year results are expected on Tuesday. Elsewhere, Saatchi and Saatchi were active and touched 725p before settling a net 20 to the good at 715p following reports that the company is currently involved in takeover negotiations with PR concern Chetwynd Streets. Geers Gross, however, *eased* a couple of pence more to 75p—a fall of 33 over the week following the warning of substantially reduced profits.

The Government's decision to drop legislation to end rent controls on new lettings of private housing prompted an early shake-out among residential property developers. However, the appearance of buyers at the lower levels left quotations above the worst. Daejan reacted to 415p prior to closing a net 15 down at 420p, while Mountview Estates lost 20 to 380p. Warner Estate finished 36 lower at 630p, after 625p, and Bradford Property 20 off at 425p, after 415p. Leading Properties resilient on Thursday, turned easier with the general trend. Land Securities shed 4 to 287p and MEPC gave up 5 to 291p. Great Portland Estates lost 4 to 150p and Peachey slipped 3 to 258p. Elsewhere, Regalian met with fresh buying interest ahead of next Tuesday's annual results and firmed 4 to 138p, after 140p.

Tobaccos went higher under the lead of Imperial Group which advanced 7 to 196p amid fresh hopes of an imminent decision concerning the future of its Howard Johnson subsidiary.

Among Financials, Framlington advanced 65 for a two-day gain of 138 to 853p on satisfaction with the proposed purchase of Laurence Prust's fund management operation which will double funds under Framlington's control to around £600m. Stockjobbers Smith Brothers remained in favour and firmed 4 more to 136p.

Oils easier

Leading oils were marked down at the outset, reflecting the continuing downward pressures on international crude prices. The crude oil price cuts initiated by Abu Dhabi prompted a good deal of inquiry after midday, but actual selling pressure was minimal. Shell ended the day 10 cheaper at 687p, as did LASMO, at 273p. Falls ranging from 5 to 7 were common to BP, 520p, Britoil, 220p, Enterprise, 178p and Tricentrol, 218p. Second-line stocks, on the other hand remained under pressure with Saxon and Sovereign down 10 *apiece at 390p and 135p respectively*. Falcon Resources were reassured by the chairman's comment that there was no apparent reason for the recent sharp fall in the share price and the quotation rallied 5 to 78p.

Golds at 30-mth low

South African Gold and related issues drifted easier during a subdued morning session which saw bullion trading around the $315 level. However, the picture changed in the afternoon when a downturn in bullion, coinciding with the opening of U.S. markets, prompted a flurry of American selling of Golds. The pressure on bullion was attributed to a rise in the dollar, and bullion dipped to around $313 prior to closing a net 75 cents easier at $314.5. *Gold shares moved progressively* lower in the absence of any significant support and closed at the day's lowest levels. The Gold Mines index dropped 9.2 more to 434.2—its seventh successive decline and its lowest closing since November 26 1982.

Dividends from a number of the mines in the Gencor group, although generally in line with market expectations, failed to arouse much enthusiasm. Leading heavyweights posted losses extending to £1¼, as in Vaal Reefs, £70⅛. Buffels, retreated ⅜ to a low of £39¼ while similar falls were recorded by Winkelhaak, £23, Driefontein, £19, and Free State Geduld, £19¼. Kloof, which earlier in the week announced its participation in a £390m gold mining development, gave up ⅜ to £30.

Financials were similarly depressed by the easier trend in bullion and the continued falls in base-metal prices. In the UK-registered issues, Rio Tinto-Zinc fell to a year's low of 575p before closing a net 3 off at 577p, while Consolidated Gold Fields lost 5 to 533p. Hampton dipped 6 to 177p and Charter were couple of pence off at 185p.

Thursday's modest rally in Australians was extended to the leading Golds. Heavily sold earlier in the week on news of the Federal Government's proposal to tax earnings on gold mining, Gold Mines of Kalgoorlie recovered 12 to 460p, Central Norseman hardened 5 to 413p and Poseidon edged up 2 to 203p. Secondary Golds showed Whim Creek 5 better at 142p, Emperor 13 to the good at 205p and Southern Resources 4 up at 91p.

Business in Traded Options expanded slightly with 7,386 contracts struck—4,597 calls and 2,789 puts. The week's daily average amounted to 7,792.

FINANCIAL TIMES STOCK INDICES

	June 7	June 6	June 5	June 4	June 5	May 31	year ago
Government Secs.	81.81	81.85	81.86	82.00	81.99	81.56	78.90
Fixed Interest	86.58	86.57	86.50	86.38	86.26	86.06	85.06
Ordinary	1001.6	1007.6	1017.1	1020.2	1010.7	1003.5	851.4
Gold Mines	454.3	445.4	444.5	450.2	450.7	451.0	672.5
Ord. Div. Yield	4.62	4.59	4.56	4.55	4.58	4.62	4.74
Earnings, Yld.% (full)	11.58	11.51	11.45	11.42	11.52	11.60	11.00
P/E Ratio (net) (*)	10.54	10.60	10.88	10.68	10.60	10.59	10.81
Total bargains (Est.)	20,867	25,312	82,878	19,945	25,216	24,888	17,829
Equity turnover £m.	—	392.60	551.90	558.90	508.66	410.67	219.08
Equity bargains	—	17,852	18,213	19,045	19,256	25,052	13,150
Shares traded (ml)	—	184.4	225.2	184.9	166.6	229.5	115.6

10 am 1006.9. 11 am 1006.7. Noon 995.2. 1 pm 994.7.
2 pm 995.6. 3 pm 996.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35.
Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=10.20.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.00 (18/4)	78.02 (28/1)	127.4 (9/1/35)	48.18 (3/1/75)
Fixed Int.	86.58 (4/6)	82.17 (29/1)	150.4 (28/11/47)	50.55 (6/1/75)
Ordinary	1024.5 (22/1)	929.7 (5/1)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	536.9 (16/4)	434.2 (7/6)	734.7 (15/2/83)	45.5 (26/10/71)

S.E. ACTIVITY INDICES

	June 6	June 5
Daily		
Gilt Edged Bargains	143.1	160.7
Equities Bargains	115.7	118.0
Equities Value	795.5	711.5
5 day Average		
Gilt Edged Bargains	163.5	164.8
Equities Bargains	127.4	151.0
Equities Value	729.2	707.3

LEADERS AND LAGGARDS

Percentage changes since December 31, 1984, based on Thursday, June 6, 1985.

Insurance (Life)	+29.10	500 Share Index	+ 7.85
Telephone Networks	+27.21	All-Share Index	+ 7.85
Newspapers, Publishing	+23.94	Banks	+ 7.50
Other Industrial Materials	+21.60	Oils	+ 7.31
Metals and Metal Forming	+20.61	Brewers and Distillers	+ 6.60
Shipping and Transport	+19.71	Chemicals	+ 6.44
Office Equipment	+18.47	Food Manufacturing	+ 8.43
Stores	+18.33	Contracting, Construction	+ 5.85
Motors	+17.27	Overseas Traders	+ 0.32
Other Groups	+16.91	Investment Trusts	+ 6.17
Packaging and Paper	+15.46	Building Materials	+ 4.61
Insurance (Composite)	+15.27	Merchant Banks	+ 3.84
Insurance Brokers	+15.18	Mining Finance	+ 2.21
Mechanical Engineering	+12.76	Leisure	+ 0.51
Food Retailing	+ 5.89	*Property*	− 0.86
Textiles	+ 9.64	Capital Goods	− 1.79
Financial Group	+ 9.59	Electricals	− 4.54
Health and H'sehold Products	+ 8.22	Tobaccos	− 5.21
Consumer Group	+ 8.84	Gold Mines Index	− 7.41
Industrial Group	+ 7.91	Electronics	−23.03

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
June 10	June 21	Sept 12	Sept 23
June 24	July 5	Sept 26	Oct 7
July 8	July 19	Oct 10	Oct 21

For rate indications see end of Share Information Service

Call options were taken out in Falcon Resources, Racal Electronics, Petranol, West Coast, Brunswick, Combined Technologies, Bowater, STC, Bola, Selincourt, Appledore, Debenhams, Sun Oil, Bio-Isolates, Vosper, Thorn EMI and Minet. Puts were done in Bestobell and Vosper, while doubles were transacted in STC, Arthur Bell and Combined Technologies.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
‡85	F.P.	28/6	106	104	✣Abbeycrest 10p	106	......	42.5	2.5	5.4	10.8
70	N.P.	16/5	95	77	Anglo-Eastelands	82	......	—	—	—	
—	F.P.	—	48	37	Do. Warrants	48	+2	—	—	—	—
‡125	F.P.	31/5	181	154	✣Aspen Comms. 5p	174	......	u2.6	2.8	2.5	24.0
172	F.P.	28/6	190	176	Asda Property 20p	184	−5	u5.0	8.1	9.4	25.8
—	F.P.	—	650	750	Banco de Bilbao B.A.	800	......	Q25%	2.5	7.4	5.4
—	F.P.	—	700	850	Banco de Santander	685	......	—	—	—	—
375	200	10/8	255	203	British Aerospace 50p	803	−10	15.55	3.1	6.2	7.0
‡75	F.P.	—	88	80	✣Browns (G.) Car 10p	87	−1	bg8.5	3.4	4.1	14.7
165	F.P.	31/5	175	168	✣Clayform Props. 5p	168	......	bg7.6	2.1	6.4	10.6
155	F.P.	21/6	136	115	*Coloroll 10p*	180	......	bg4.6	2.5	5.4	10.7
‡84	F.P.	21/6	105	87	✣Datron Int'l. 5p	108	......	u1.0	6.8	1.4	12.5
200	F.P.	31/5	500	260	Domino Print. Scienc.	270	−9	u1.75	4.5	0.9	36.0
‡117	F.P.	31/5	130	180	✣Electron House 10p	123	......	bg2.7	1.8	5.1	22.4
‡500	F.P.	28/6	445	370	✣Holmes & March. 10p	458	−5	u3.5	4.1	1.1	30.7
‡150	F.P.	7/8	205	165	✣Huntleigh Tech 5p	202	......	u1.6	3.5	1.1	51.0
100	F.P.	21/6	105	101	MartinCurrie Pac. 50p	102	+1	—	—	—	—
‡28	F.P.	14/6	55	36	✣Maxiprint 1p	34	−1		—	—	—
‡120	F.P.	7/6	186	145	✣Moorgate Group 5p	186	......	bg2.0	6.2	1.5	55.6
50	F.P.	—	50½	50	Nordic Inv. Trust 10p	50½	......	—	—	—	—
41	F.P.	—	47½	43	✣Perkins(J.) Meats 10p	44	......	b.g1.8	2.0	6.8	11.8
110	F.P.	7/6	112	105	Persimmon 10p	104	......	bg4.75	3.6	6.5	6.0
£7.25	F.P.	26/4	86	78	Plantation Tst	78	......	—	—	—	—
—	F.P.	—	40	37	Do. Warrants	57	......	—	—	—	—
100	F.P.	7/6	106	85	Prestwick 5p	85	......	u8.1	3.5	3.5	11.6
‡175	F.P.	7/6	205	176	✣Sherwood Com 10p	183	......	82.76	3.4	2.1	18.8
‡120	F.P.	26/6	128	107	✣*Viewplan 5p*	115	......	u1.26	4.0	1.6	28.9
95	F.P.	—	106	103	✣Wold 5p	106	......	u9.5	2.7	5.1	15.4
‡68	F.P.	24/5	72	67	✣Wyko Group 10p	67	......	b2.4	2.4	5.1	11.6

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −
‖	Nil	20/7	7pm	4pm	Allebone 8¾% Cnv. Cum. Rd. Prf.	7pm	+1
—	F.P.	—	85	83	Anglo-East Ests. 12½% Uns. Ln. 95-99	85	......
‖	Nil	2/8	80pm	60pm	Assoc. Brit. Eng. 8% Cum. Cnv. Rd. Prf.	60pm	−5
‡‡	F.P.	85/6	107	100	Bramall (C.D.) 10% Cnv. Uns. Ln. 95/2005	106	......
‖	Nil	—	6pm	4pm	Kennedy Brookes 8¼% Cnv. Un. Ln. '02	5pm	......
‖	Nil	5/7	9	7	Lon. & Edin. 6½% Conv. Cum. Rd. Prf.	9	......
90.705	£30	6/6	51½	28⅛	Malaysia 10¼% Ln. 2009	61⅛	......
—	F.P.	—	100⅛	99⅛	NationwideBldg.Soc. 10⅞% 12/5/86	100⅛	......
—	F.P.	—	100¼	100⅛	Do. 12½% 9/6/85	100⅛	......
—	F.P.	6/6	98	82	Plantation Trst 7½% cnv. Uns. Ln. 2000	82	......
‖	F.P.	6/6	110½	106	Queens Moat 7% Cnv. Rd. Prf.	110½	+1
‖	F.P.	18/7	105	100	Russell (A.) 6.72% Cum. Cnv. Rd. Prf.	100	......
£4.895	£40	12/7	56¼	50	Spain Kingdom of 11¾% Ln 2010	55⅞	−⅛
‖	Nil	—	16½pm	5½pm	Woolworth 8½% Cov. Uns. Ln. 2000	5½pm	−2

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −
105	Nil	16/7	21pm	4pm	Anchor Chemical	10pm	+1
800	F.P.	30/6	385	353	Bank of Scotland £1	376	−10
150	F.P.	14/6	400	383	Barclays £1	380	−19
360	F.P.	5/7	406	372	Beazer (C.H.) 70p	404	−1
88	F.P.	26/6	29½	28	Brit. Empire Sec. & Gen. 5p	28½	......
134	Nil	11/6	25pm	20pm	✣Godwin Warren	22pm	−1
80	F.P.	26/6	93	85	✣Grosvenor Square 10p	83	......
66	F.P.	5/7	80	75	Lon. & Northern	78½	−½
516	F.P.	12/7	642	825	Low (Wm.) 20p	698	−12
285	F.P.	19/6	360	356	Memec 10p	356	......
26	F.P.	28/6	43	38	Newman Inds. 10p	40	−1
70	F.P.	4/7	77	72	✣Rivlin (J.D.B.) 5p	76	......
120	F.P.	12/7	138	150	Suter 5p	130	−2
222	F.P.	28/6	268	936	Tesco 5p	266	−8
10	Nil	12/7	29½pm	17pm	"The Times" Veneer	28pm	−½
150	F.P.	18/7	210	178	Tomkins (F.N.) 5p	206	......
8	Nil	—	1½pm	1pm	Willaire Systems	1pm	−½

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (61)

BRITISH FUNDS (5)
Exchqr. 2½pc 1986 — Treas. 3pc 1989
Treas. 3pc 1987 — Treas. 2pc I.L. 1988
Transpt. 3pc '78-88

AMERICANS (2)
Great Amer. First Savings Bank — Time Inc.

BANKS (1)
Cie. Bancaire

BREWERS (1)
Wolv'hampton Dudley

BUILDINGS (6)
Cement Roadstone — Higgs & Hill
Copson (F.) — Lafarge-Coppee
Exeter Bldg. & Con. — Lovell (Y. J.)
French Kier — Vibroplant

STORES (3)
Beattie (J.) A — Ratners
Our Price

ENGINEERING (7)
British Steam — Parkfield
Brown & Tawse — Pratt (F.) 6pc Cnv. Red. Prf.
Jackson (J. & H. B.) — Vosper
Lea (Arthur)

INDUSTRIALS (12)
Blue Arrow — Stag Furniture
Bowater Inds. — Sutcliffe Speakman
Brammer — The Times Veneer
Brook St. Bureau — Third Mile Inv.
Bruntons (Muss.) — Welpac
De La Rue — Whatman Reeve Ang.
Hnima — Williams Hldgs. 5pc Cum. Cnv. Prf.
Hunting Assoc. — Wolv'hampton Steam
Pearson
Ryan Intl.

INSURANCE (4)
Legal & General — Prudential
London United — Sun Life

MOTORS (1)
Caffyns

PAPER (2)
Saatchi & Saatchi — Saatchi & Saatchi 6 3pc Cnv. Cum. Red. Pf.

PROPERTY (2)
Hardanger Prop — Regalian

TRUSTS (4)
M. & G. Dual Cap. — Park Place Invs.
Framlington Group — Smith Bros.

OILS (1)
Caledonian Offshore

MINES (1)
Western Continental

NEW LOWS (74)

AMERICANS (5)
Amdahl — Derma-Lock Medical
Bethlehem Steel — Microcomputer Mems.
Business Computer

CANADIANS (1)
Bow Valley

CHEMICALS (2)
Ellis & Everard — Perstorp AB

STORES (1)
Castle (G. B.)

ELECTRICALS (21)
AB Electronic — Pericom
BICC — Plessey
BSR Internatl. — Renishaw
Bowthorpe — Shorrock
CPS Computer — Sound Diffusion
Crystalate — STC
Dubilier — Telemetrix
Farnell Electronics — Wayne Kerr
Ferranti — Wholesale Fittings
GEC — Wordplex
MMT Computing

ENGINEERING (1)
Black & Decker

INDUSTRIALS (6)
Berisfords — Kean & Scott
Sileo — Staffs. Potteries
English China Clays — Tod (W. & J.)

INSURANCE (1)
PWS Internatl.

LEISURE (1)
Nationwide Leisure

PAPER (2)
Geers Gross — Osborne & Little

PROPERTY (1)
Gurad Securities

TRUSTS (5)
Ambrose Inv. Inc. — Abingworth
CJR Pacific Inv. — Berkeley Technology
Stckhldrs. Far East

OILS (12)
Charterhouse Pet. — New London Oil
Cie Fr. Petroleum — Oliver Prospecting
Clyde Petroleum — Petranol
Jackson Exploration — PetroFina
LASMO — Sceptre Res
Monarch Petroleum — Sovereign Oil

MINES (15)
East Rand Prop. — President Steyn
Bracken — Walhom
Grootvlei — Hapma NW
South African Land — Kitchener Mining
Blyvooruitzicht — Petaling Tin
Driefontein — RTZ
Kloof Gold — Do. 8½pc Ln. '95-00
Harmony

RISES AND FALLS

	Rises	Falls	Same	Rises	Falls	Same
British Funds	32	29	47	198	138	203
Corporations, Dom. and Foreign Bonds	10	8	60	100	28	256
Industrials	187	418	848	1,582	1,351	4,348
Financial and Props.	61	146	352	598	415	1,732
Oils	9	56	61	82	222	325
Plantations	2	10	5	22	21	42
Mines	21	67	90	144	314	432
Others	59	79	91	417	214	403
Totals	371	811	1,554	3,143	2,803	7,742

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Bowater Inds	300	+10	Plessey	135	− 3
Cable and Wireless	545	−10	Prudential Corp	712	+ 7
Debenhams	401	− 2	Saatchi and Saatchi	715	+20
Dee Corp	256	—	STC	150	− 8
Imperial Group	196	+ 7	Thorn EMI	445	− 7
Legal and General	738	+11	United Scientific	210	+ 9

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Jaguar	20	298	− 6	RTZ	14	580	−10
Falcon Res	17	73	−12	Tate & Lyle	14	500	+10
BAT Inds	15	370	− 8	Br. Aerospace†	13	213	− 2
HK & Shang Bk	15	77	− 4	Thorn EMI	13	462	−11
Bio-Isolates	14	52	+ 9	BET Dfd.	12	318	− 5
Bowater Inds	14	290	+19	ORG	12	186	+10
Reed Int'l.	14	620	− 7	Debenhams	12	403	—

† Partly-paid

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Falcon Res	103	73xc	−35½	ICI	79	766	−12
BAT Inds	98	320	+10	Plessey	78	138	−10
Thorn EMI	97	462	− 1	Glaxo	77	£13	+ ⅛
Jaguar	94	298	+28	Boots	73	182xd	− 8
Br Aero (p/pd)	83	213	−10	Burmah Oil	73	284	− 1
Hanson Trust	81	226	− 7	Debenhams	72	403	+17
Reed Int'l.	80	620	+36	Wold	72	106	− 9*

* Based on Mondays opening price.

S. E. DEALINGS

STERLING ISSUES BY FOREIGN GOVERNMENTS AND INTERNATIONAL INSTITUTIONS

[illegible]

CORPORATION & COUNTY

[illegible]

UK PUBLIC BOARDS

[illegible]

COMMONWEALTH GOVT.

[illegible]

FOREIGN STOCKS (coupons payable in London)

[illegible]

CORPORATION STOCKS

[illegible]

STERLING ISSUES BY OVERSEAS BORROWERS

[illegible]

BANKS, DISCOUNT

[illegible]

BREWERIES

[illegible]

COMMERCIAL INDUSTRIAL

A—B

[illegible]

C—D

[illegible]

E—F

[illegible]

G—H

[illegible]

هكذا من الأصل

هكذا من الأصل

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ◆ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

Hall Eng G (Hldgs) 5.35pcPf (£1) 62½ (5.6)
Hnlins 11pcPf (£1) 113
Halstead (James) Gp 5½pcPf (£1) 41 (3.6)
Halmmex Curpn (A$0.25) 46 (3.6)
Hargreaves Gp 10½pcDb 1992-97 £03
Hawker Siddeley Gp 5½pcPf (£1) 47 (3.6)
Hawley Gp 12.5pcPf (£1) 131 (5.6)
Hawtin 6.58pcPf (£1) 46
Henlys 8½pcLn £63½
Hepworth Ceramic Hldgs 10.4pcDb 1992-97 £94½

Tate Lyle 9½pcPf (£1) 67 8. 5½pcDb 1980-85 £99¼ 7 (5.6). 7¼pcDb 1989-1994 £77½. 6¼pcLn 1985-90 £70¼. 7¼pcLn 2003-08 £68¼. 13pcLn 1994-1999 £167 73
Taylor Woodrow 7¼pcLn 1987-90 £85 (5.6)
Television South 14.20pcLn 1986-88 £1 (3½ (3.6). 10pcLn 1997 £98 10d
Telfos Hldgs 12pcLn 1991 £216
Tenneco Inc 10pcStg/SCnvLn 1991-95 £180 (4.9)

Second Alliance Trust 4½pcPf £37½ (3.6). 4½pcDb (7956) £36 (31/5)
Securities Trust of Scotland 7pcDb 1988-1093 £78 (31/5)
Shires Invest wrnts to sub 35 7. 11pc Ln 2003-04 £125 (4/6)
Stockholders 5½pcPf £49½ (4/9)
TR Australia 5pcPf £42½ (4/6)
TR City of London Trust 6pc2ndPf (£1) (3 (31/5)
TR Industrial and Gen Trust 3½pcDb £29 (31/5). 3½pcDb 1892-97 £50 (5/6)

Perkins (John) Meats New Ord (10p) Fp/LA-9/8/85) 42 6 (6)
Petrolex Ord(5p) 82
Sangers 5.25pcPrf (£1) 72
Sherwood Computer Services Ord (10p) (Ex Captn) 185 (9) New Ord (10p) (Fp/LA-7/6 85) (82 3 5 (5.6)
Synterials Ord (10p) 6¼ ¼
Technology for Business 7pcPrf (£1) 12 (3/6)
United Friendly Insurance B (Rest Vtg) (10p) 385

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
80, Holdenhurst Rd., Bournemouth BH8 8AL. 0345 717373 (Linkline)

High Income				
Gilts & Fixed Inc.	109.8	116.2xd	+0.3	10.33
High Inc Equity	73.4	78.1	-0.5	6.34
Worldwide Bond	146.1	155.4xd	-0.3	6.24
Capital Growth				
American Growth	136.4	145.1	+0.4	1.50
Asian Pacific	47.7	50.8	-2.0	—
Assets & Engs. Tt.	76.9	82.2xd	-0.6	2.65
Capital Reserve	57.4	57.6	+0.1	—
Commodity & Engy.	69.1	74.3	-0.1	3.49
General	106.8	114.2	-1.4	2.85
Japan	154.8	166.5	-0.5	—
UK Growth Acc Units	106.8	114.8	-0.1	—
UK Growth Dist	75.1	80.8	-0.1	1.93
U.S. Emerging Co's	56.2	60.1	+0.2	0.43
Equitas Prog	159.5	170.6xd	-1.7	3.85

Aitken Hume
30, City Road, EC1Y 2AY. 01-628 6626

Brown Shipley & Co. Ltd. (a)(g)
9-17 Perrymount Rd, Haywards Hth 0444 458144

B.S. Fund	47.1	50.7	-0.5	4.33
B.S. Accum	75.8	81.8	-0.7	4.31
Financial	95.5	102.2	-0.6	3.00
Growth Accum	158.0	170.2	-1.3	—
Growth Income	102.2	110.2	-1.1	1.78
High Income	50.0	53.8	-0.5	6.60
Income	56.6	60.9	-0.6	5.50
North American	53.3	57.3	-0.3	1.22
Orient	47.0	50.6xd		0.23
Recovery	27.4	29.5xd	-0.3	3.60
Technology	126.5	136.2xd	-0.5	0.61
Exempt	163.8	176.3xd	-2.3	2.64

Buckmaster Management Co. Ltd. (a) (c)
The Stock Exchange, EC2P 2JT. 01-588 2868

General Inc June 6	167.1	175.3xd	...	3.89
Accum Units May 30	259.7	272.5	...	3.89
Income June 5	75.1	79.3	...	5.70
Accum Units June 5	126.4	133.0	...	5.70
Ind June 4	104.8	109.1	...	3.60
(Accum Units) June 4	136.2	141.7	...	3.60
Smaller Co's June 7	900.9	960.8	+12.7	1.16
(Accum Units) June 7	941.9	1004.7	+13.2	1.16

CS Fund Managers Limited
125 High Holborn, London WC1V 6PY. 01-242 1148

CS Japan Fund	44.4	47.3	+0.1	0.45
CS Portfolio Inv. Fd.	47.8	50.0	.....	4.00

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. 0277 227300

G. & A.	90.9	96.4	...	3.59

G.T. Unit Managers Ltd.
8th Floor, 8 Devonshire Sq., London, EC2M 4YJ. 01-283 2575. Dealing: 01-626 9451.

Capital (Inc)	76.8	82.2	-1.0	1.9
Capital (Acc)	107.3	114.8	-1.4	1.9
Income	64.1	68.6	-2.6	6.9
Liquid Reserve	101.4	103.0	...	4.1
Pension Exempt	131.5	137.8	-5.2	2.4
International	110.2	117.9	+0.7	0.6
U.S. & General	50.3	53.8	+0.3	1.2
Tech. & Growth	66.3	71.0	-0.2	0.8
Japan & General	130.5	139.6	+0.8	0.4
Far East and Gen.	70.4	75.4	-1.0	1.0
European	136.3	195.8	-1.0	0.6

Gartmore Fund Managers (a) (c) (g)
2 St Mary Axe, EC3A 8BP 01-623 1212
Dealing only: 01-623 5766/5806

American Trust	81.2	86.3xd	-0.1	0.34
Australian Trust	17.5	18.6xd	+0.2	0.17
British Tst. Dist.	45.5	48.5	-0.5	2.55
Do. (Accum.)	40.9	43.6	-0.4	2.55
Commodity Share	64.6	68.8xd	-0.1	1.12
European Trust	28.2	30.1	-0.2	1.49
Extra Income	37.3	39.7xd	-0.4	5.95
Far East Trust	79.7	85.6		0.65

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Registrar's Dept., Goring-by-Sea, Worthing, W.Sx. 0903 502541. Dealing 0444 459144

Balanced	146.9	157.1xd	-2.3	3.62
Do. (Accum.)	254.9	272.6	-4.1	3.62
Energy Int.	50.7	54.2	-0.5	2.46
Do. (Accum.)	54.5	58.2	-0.6	2.46
Extra Income	117.4	125.5xd	-1.0	6.56
Do. (Accum.)	203.1	217.2	-1.6	6.56
Income	204.2	218.3	-3.0	5.00
Do. (Accum.)	388.3	415.2	-3.7	5.00
Int. Technology	147.1	157.3xd	-0.5	0.72
Do. (Accum.)	152.5	163.1	-0.6	0.72
N. American & Gen	94.0	100.5	+0.4	1.67
Do. (Accum.)	99.9	106.8	+0.4	1.67
Pacific Basin	85.2	91.1	-1.1	0.83
Do. (Accum.)	88.2	94.3	-1.4	0.83
Small Cos. & Rec.	147.1	157.3xd	-1.0	1.58
Do. (Accum.)	162.40	173.6	-1.1	1.58
Worldwide Gwth.	141.2	151.0xd	-0.4	1.35
Do. (Accum.)	196.8	210.4	-0.6	1.35

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St Mary Axe, EC3A 8BP 01-920 0311

Equity Accum.	115.9	123.4xd	-1.5	1.85
Equity Dist.	83.5	88.9xd	-1.0	1.85
Gilt Trust Inc.	48.0	50.6	+0.2	5.08
Gilt Trust Acc.	46.7	29.2	+0.2	5.08
High Income Acc.	75.8	80.7	-0.3	5.53
High Inc Dist.	68.4	72.8	-0.4	5.53
U.S. Growth Acc.	48.0	52.1		1.90

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd. (a)(g)
252, High Holborn, WC1V 7EB.

Perpetual Unit Trust Mngmt. (a)

Prolific Unit Trusts
222, Bishopsgate, EC2.

Providence Capital Fd. Mgrs. Ltd.
30 Uxbridge Road, London, W12 8PG.

Prudential Unit Trust Mngrs Ltd.

Quilter Management Co. Ltd.

Reed Stenhouse Inv Services Ltd

Reliance Unit Mgrs. Ltd.
Reliance Hse, Tunbridge Wells, Kent.

Ridgefield Management Ltd.

N.M. Rothschild Asset Management

Rowan Unit Trust Mngt. (a)

Royal Life Fd. Mgmt. Ltd.
New Hall Place, Liverpool L69 3HS.

Royal London Unit Tst Mgrs Ltd

Royal Trust Can. Fd. Mgt. Ltd.

SKG Management Limited

Save & Prosper Group
4 Great St. Helens, London EC3P 3EP

Schroder Unit Trust Managers Ltd.
Enterprise House, Portsmouth.

Scottish Equitable Fund Mgrs. Ltd.

Scottish Life Investments

Scottish Mutual Investment Managers Ltd.

Scottish Provident Inv. Mgt. Ltd.

Scottish Unit Managers

Scottish Widows' Fund Management

Standard Life Trust Mngt. Ltd.

Stewart Unit Tst. Managers Ltd.(a)
45 Charlotte Sq, Edinburgh.

Sun Alliance Fund Management Ltd.

Sun Life Trust Mngt. Ltd.

Swiss Life Pen. Tst. Man. Co. Ltd.(a)(c)

TSB Unit Trusts (b) (c) (y)

Target Trust Mngrs. Ltd. (c)(g)

Temple Bar Unit Trust Mgrs Ltd

Touche, Remnant Unit Trust Mngt. Ltd.

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. (c) (y)

Tyndall Managers Ltd.(a)(b)(c)

Ulster Bank

Vanguard Trust Managers Ltd.

Wardley Unit Trust Managers Ltd (c)

Waverley Asset Management Ltd

Whittingdale Unit Trust Managers

Wright Seligman Fund Managers Ltd.

INSURANCES

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

Alexander Life Ass. Co. Ltd.

Barclays Life Assur. Co. Ltd.
252 Romford Road, E7.

Black Horse Life Ass. Co. Ltd.

British National Life Assurance Co. Ltd.

Canada Life Group

Cannon Assurance Ltd.

Charities Assurance Funds

City of Edinburgh Life Assurance

City of Westminster Assurance

Clerical Medical/Fidelity International

Clerical Medical Managed Funds Ltd.

Colonial Mutual Group

Commercial Union Group

Confederation Life Insurance Co.
50, Chancery Lane, WC2A 1HE.

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ass. Ltd.

Criterion Assurance Group

Crown Financial Management Ltd.

Crusader Insurance PLC

Dominion Financial Management

Eagle Star Insur./Midland Assur.

Equitable Life Assurance Society

Equity & Law

Family Assurance Society

Federation Mutual Insurance Ltd.

Framlington Life Insurance Ltd.

Friends' Provident Life Office

G.T. Management Ltd.

General Accident Linked Life Assurance(z)

General Portfolio Life Ins. PLC

Gresham Unit Assurance Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

GRE Pensions Management Ltd.

Hambro Life Assurance P.L.C.

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Imperial Life (UK) Ltd.

Irish Life Assurance Co. PLC.

The LAS Group

Assicurazioni GENERALI S.p.A.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General (U.A.)—Contd.

Legal & General Prop. Fd. Mgrs. Ltd.

Liberty Life Assurance Co Ltd

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Life

London & Manchester Group

London Indemnity & Gnl. Ins. Co. Ltd

London Wall Bdng & Btn. Mtl. Assur. Ltd.

M & G Group

MGM Assurance

Manufacturers Life Insurance Co (UK)

Pension Fund Prices

Merchant Investors Assurance

Municipal Life Assurance Ltd

NEL Pensions Ltd.

National Mutual Life

National Mutual of Australasia

National Provident Institution

New Zealand Insurance PLC

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Precision Life Assurance Co. Ltd.

Property Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Property Growth Pensions & Annuities Ltd.

Providence Capital Life Assur. Co. Ltd.

Provident Life Assoc of London Ltd

Provident Mutual Life Ass. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Assurance

Prudential Pensions Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

INSURANCE, OVERSEAS & MONEY FUNDS

Arbuthnot Securities (C.I.) Ltd. (a)(c)(b)
P.O. Box 428, St. Helier, Jersey. 0534 76077

Dollar Income Tst (z)	107.4	112.7	....	10.65
Gov't Secs. Tst.	72.8	76.9	+0.1	13.11
Yen Bond*	Y199	209	....	5.74
Sterling Fxd	179.9	180.0	....	—
Japan Growth*	215.6	231.8	....	0.43

Next dealing *June 6. †June 12.

Aries Fund Managers Ltd.
PO Box 443, St Helier, Jersey. 0534 75141

Dollar Fund	$10.35	10.59	....	—
Sterling Fxd Interest	£9.87	9.91	....	9.51

B.I.A. Bond Investments AG
10, Baarerstrasse CH6301, Zug, Switzerland

Barer Sfd May 20	SF10,925	11,500	....	—

Julius Baer Bank & Trust Co Ltd
Butterfield House, Grand Cayman

Liquibaer J. Baer SFd.	$1,317	1,318	+1	—

Bamford Brandt Guernsey Mngt. Ltd.
PO Box 71, St Peter Port, Guernsey 0481 26541

Tech and Comm.	£7.69	8.16	....	—
Int. Growth	$15.01	15.86	....	—
Pac. Basin Fund	$26.29	27.91	....	—

Bank of America International S.A.
35 Boulevard Royal, Luxembourg GD

Worldinvest Inc	$124.59	125.29	....	8.80

Valued weekly on Wednesdays

Bank of Scotland
4 Don Rd, St. Helier, Jersey. 0534 38855

Mon Mkt Chq Acc Jersey	—	12.05	....	—

Barclays Isle of Man Prime Account
PO Box 9, Douglas, IoM 0624 29331

High Int. chq	—	12.25	....	—

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt Trust	44.1	46.0	+0.5	11.20

EBC Trust Company (Jersey) Ltd.
1-3 Seale St, St Helier, Jersey. 0534-36331

International Income Fund

US$ Dep Short A	$1.4771	....
Do. Dis	$1.0220	....
Mad.Cur.Sh't term B	$1.1429	-0.0006
Do. Dist.	$0.8722	-0.0004
Eurobd Long Term	$22.10	....

European Banking Traded Currency Fund*

Income	$9.58	9.877	....
Capital	$10.57	10.907	....
Currency Income Fd	—		....

*Offer price includes 3% prelim. charge.

The English Association
16 Athol St, Douglas, Isle of Man 0624 20738

E.A. Far East	$10 7	10 90	....

Next dealing June 10.

Ermitage Management Ltd.
19 Royal Square, St Helier, Jersey, CI. 0534 76007

External Fund	$16.77	18.96	....
Bond & Cash Fd	$10.07	10.07	....
Cash Fund	£20.29	—	....

Ermitage Management Cayman Ltd.
PO Box 2192, Grand Cayman, B.W.I.

Gam Ermitage	$14.54	—
Cayman Cash Fd	$10.29	—

Eurolife Assurance Group
5-11 Mortimer St., London W1N 7RH. 01-631 0778

Sterling Eurobond Fd	104.5	—
Intnl Eurobond Fd	104.5	—

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury House, London Wall EC2M 5TA. Tel. 01-920 0776 Telex 887281

Europe-Obligations	544.87	+0.66

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.	$12.71	-0.05	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Advanced Tech	$8.12	+0.03	—
Dynamic Gwth Fd.	$8.24	+0.05	—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	12.3	—	—	3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	12.62	0.43	11.99	6mth
7-day Fnd	12.77	9.50	14.15	6mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	12.30	0.12	13.45	6-Mth
7-day Fund	12.34	9.22	13.60	6-Mth
Dollar	6.56	—	—	6-Mth
Money Mngt. Acct.	12.00	8.97	13.43	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq, Edinburgh, EH2 4DF 031-225 8484				
Full Service Chr Acc	12.25	8.75	13.09	Qtr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	12.375	0.25	13.87	Qtr
Mth. Int. Chq.	12.25	0.16	13.90	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	12.05	0.00	13.40	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	12.25	9.00	13.09	Qtr

OFFSHORE AND OVERSEAS

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING, TIMBER, ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

MINES—Continued

Finance

Australians

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♠ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ¶ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	100	......	Arnott	175	......
Craig & Rose £1	900	......	CPI Hldgs	58	......
Finlay Pkg. 5p	61	......	Carrol Inds.	124	+2
Higsons Brew	227xd	−5	Dublin Gas	53	......
Holt (Jos) 25p	740	......	Hall (R. & H.)	57	......
IoM Stm. £1	85	−5	Heton Hldgs.	16	−½
IRISH			Irish Ropes	43	......
Fund 11¼% 1988	£97	......	Jacob (W.& R.)	80	......
Nat. 9¾% 84/89	£91½	......	Unidare	83	......
Fin. 13% 97/02	£102	......			

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	16	GKN	17	Turner Newall	10
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp.	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	30	**Property**	
BTR	52	ICI	60	Brit Land	12
Babcock	14	'Imps'	10	Cap Counties	18
Barclays	48	Jaguar	28	Land Secs	25
Beecham	32	Ladbroke	24	MEPC	28
Blue Circle	45	Legal & Gen.	50	Peachey	22
Boots	15	Lex Service	28	Samuel Props	14
Bowaters	20	Lloyds Bank	45	**Oils**	
Brit Aerospace	33	Lucas Inds.	25		
Brit. Telecom	11	Marks & Spcr	11	Brit. Oil & Min	4
Brown (J.)	5	Midland Bk	30	Brit Petroleum	42
Burton Ord	39	NEI	2	Burmah Oil	18
Cadburys	14	Nat West Bk.	60	Charterhall	6
Cons Union	19	P & O Dfd	36	Premier	5
Courtaulds	12½	Plessey	17	Shell	60
Debenhams	17½	Polly Peck	26	Tricentrol	18
Distillers	28	Racal Elect	18	Ultramar	19
Dunlop	6	RHM	11	**Mines**	
FNFC	8½	Rank Org Ord	32		
Gen Accident	45	Reed Intl	50	Charter Cons	18
Gen Electric	17	Sears	8	Cons Gold	44
Glaxo	85	TI	20	Lonrho	14
Grand Met	25	Tesco	20	Rio T Zinc	56
GUS 'A'	60	Thorn EMI	35		
Guardian	60	Trust Houses	13		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 14

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £880 per annum for each security.

FINANCIAL TIMES
Saturday June 8 1985

Nato withholds Star Wars support

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT IN ESTORIL

THE U.S. yesterday failed to win the formal backing of its allies in the North Atlantic Treaty Organisation for President Ronald Reagan's Strategic Defence Initiative, the so-called Star Wars project, and had to be content with an expression of geoeral support for U.S. efforts at the Geneva arms control negotiations.

The omission of a specific statement of support for the SDI research programme in the final communique of a two-day meeting of Nato foreign ministers was played down by Sir Geoffrey Howe, the British Foreign Secretary.

"Alliance solidarity behind the U.S. in Geneva is the central message for today," Sir Geoffrey said afterwards. But there can be little doubt that the Soviet Union will take the meeting's outcome as a sign that its wedge-driving tactics have borne more fruit than Nato officials like to admit.

The endorsemen Washington was aeeking for its spece-based defence researcb programme was blocked by France, Norway, Denmark and Greece.

Though France was prepared to eccept a phrase in the communique accepting the existence of the SDI research programme, Mr George Schultz, U.S. Secretary of State, seid it was better not to menton SDI at all than to wrap it up in meaningless terminology.

All the other allies were ready to subscribe to a statement of support for SDI, and Sir Geoffrey and Herr Hans-Dietrich Genscher, his West German colleague, made last-minute efforts to persuade France to accept a watered-down formula.

In spite of disagreements on this issue, Mr Shultz said the discussions had been very relaxed aod without acrimooy.

"We take great encouragement froor the very strong endorsement of our efforts at Geneva and the call on tbe part of ell our allies to the Soviet Union to bring a more positive approech to the arms control talks. Overall, this hes been a most satisfectory meeting," Mr Shultz said.

The relevaot peragraph in the communique said that the Nato forcign ministers atrongly support U.S. efforts in all three areas of negotiations io Geoeva—strategic nuclear weapons, intermediate range nuclear weapons and defence and space systems.

Althougb Mr Sbultz admitted that Washington would have liked an explicit statement of support for SDI from its allies, such as the one adopted by Nato defence ministers withoot France in March, he did not appear too upset

He said he bed been awere from the start that the views on SDI of two or three countries would make it difficult if not impossible to obtain an explicit endorsement for the programme.

At the same time, Mr Shultz was beartened by the fact that the discusslons et tbe meeting had sbown that there was very broad understanding of how important it was that the U.S. should conduct research on space-based defensive weapons.

Tbe question of participation in the programme by other countries was a totally separate question on which everyone had to make up their own minds.

It would be a great mistake if anyone were to think that the research programme would be in any way deflected by the omission in the communique of a statement of allied support, Mr Shultz said.

"It will go on. Most people would feel that it would be downright irresponsible for the U.S. not to undertake the research in the light of the fact that the Soviet Union bas, for some time, beeo doing research in this field itself and lias the only deployed anti-ballistic missile (ABM) and anti-satellite systems right now."

Mr Sbultz gave a renewed uodertaking that the SDI programme would be conducted in accordance with the limitations set in the 1972 ABM Treaty.

The Nato ministers egreed that the tenth anniversary celebration in Helsinki in August of the Final Act of the East-West Confereoce on European Co-operatioo and Security would be beld at foreign minister level.

Mr Shultz said it was likely that he would have a bileteral meeting with Mr Andrei Gromyko, his Soviet opposite number, on that occasion, though this had not been finally arranged.

Peter Riddell, Political Editor, writes: The Prime Minister was last night due to meet Mr Shultz in Downing Street for a sbort discussion of both Middle East and East-West issues. This was described as an ordinary meeting since Mr Sbultz was passing througb London on his way bome from Portugal.

Mrs Thatcher was expected to report on a meeting sbe had earlier yesterdey with Kiog Hussein of Jordan and on ber talks on Tuesday with Mr Yitzhak Shamir, the Israeli Foreign Minister.

Mrs Thetcher told King Hussein during a 75-minute meeting of her support for his efforts ot restart peace talks involving the Palestinians.

U.S. homes in a sceptics, Page 4

Argentina in $400m loan talks

By Peter Montagnon, Euromarkets Correspondent

ARGENTINA has begun negotiations with the U.S. and other couotries on a new bridging loan of some $400m to $500m (£315m to £395m) amid hopes of imminent agreement oo a new economic programme with the International Monetary Fund.

The IMF agreement is needed urgently to prevent U.S. agencies respoosible for supervising the banking system from declining to downgrade Argentina's debt wben they meet on Monday.

The IMF declined to comment oo the prospects for an egreement yesterday, but it is understood that talks were continuing betweeo the two sides in Wasbington last night.

"The signs are that agreement is very close, but we must wait for the fact," said Mr Guy Huntrods who represents Lloyds Bank on the committee of Argentina's leading creditor banks.

Argentine officials say they are seeking bridging finance from the U.S., Latin America, Europe and Japan which would be used together with some of their own money to make "a very susbtantial interest payment" to foreign bank creditors.

Interest arrears on Argentina's public sector foreign debt amount to some $1bn and stretcb back to November 11, well beyond the six-mooth limit normally regarded as critical by tbe U.S. banking authorities.

The bridging loan would provide Argentina with cash ahead of a resumption of borrowing from the IMF.

The IMF has insisted that Argentina must wait for any fresh drawings on its $1.4bn loan facility agreed last year until it has demonstrated that it is sticking to a new agreement.

One of the main purposes of a new IMF programme would be to reduce Argentina's inflation rate, which this week topped the 1,000 per cent a year mark to stand at 1,010 per cent.

Opec tries to reassure market

BY DOMINIC LAWSON

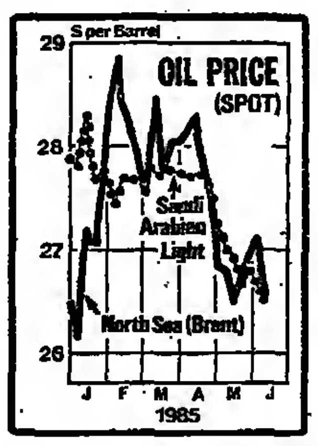
THE Organisation of Petroleum Exporting Couotries yesterday attempted to reassure a fragile oil market, in the wake of tumbliog spot prices and reports that Opec member Abu Dbabi was to cut its official prices.

Japanese oil trading companies, the main buyers of Abu Dhabi's oil, reported tbat the Abu Dhabi National Oil Company had offered to cut its official Opec prices by up to $1 a barrel.

The official Abu Dhabi news agency last night denied the reports, but the oil markets had started the day very nervously, eveo before the Japanese traders made their claims.

June shipments of Brent, the main UK crude, were traded at $26.55 a barrel, a fall of 20 cents. Shipments for delivery in August, September and October are now all quoted below $26 a barrel.

Arabian light was traded at $26.50—$1.50 below its official Opec price—while Arabian heavy was quoted at $25.15 against its official level of $26.50 a barrel.



Oil traders described the market conditions as very turbulent.

Meanwhile, on the London Stock Exchange oil company ahares were bit hard. Those of Shell fell 10p to 687p, while Britoil dropped 5p to 220p, and shares in Lasmo fell 10p to 273p.

In an effort to restore some confidence Opec's official news agency, Opecna, issued a statement by Dr Subroto, the organisation's Opec president and Indonesian Oil Minister, saying that Opec had no plans to cut its price in the near future. Dr Subroto aaid a weakening of oil prices was normal during the summer.

Oil analysts pointed out that Indonesia was not selling any of its crude at official Opec prices, but Dr Cubroto blamed non-Opec producers—Britain, Norway, Egypt and the Soviet Union—for the weakness in the market.

Opecna also issued a statement from Professor Tom David-West, Nigeria's Oil Minister, wbich insisted that oil consumers were wasting their time waiting for an Opec price cut. He said Opec had "developed enough antibodies" to survive any manipulation of the oil market.

Oil companies pointed out, however, that, with the possible exception of Venezuele, Saudi Arabia was tbe only Opec country out undercutting the official price structure. As a result, the Seudis were able to sell only 2.5m barrels a day, compared with their Opec quota of 4.3 mbd.

Bunzl lifts bid for Brammer

By Alexander Nicoll

BUNZL, the paper group, increased its bid yesterday for the bearings distributor, Brammer, with a final offer of £133m designed to step up pressure on Brammer sbarebolders, wbo will decide their company's future at e meeting next Friday.

By quickly increasing its offer, formally made this week at £117m, Bunzl intensified its efforts to dissuade Brammer shareholders from approving the proposed £44m acquisition of Energy Services & Electronics, an electronic equipment rental concern.

Bunzl's bid will lapse if Brammer shareholders approve the agreed offer for ESE. Friday's vote will therefora not be on the ESE purchase alone, bnt, in effect, on Bunzl's offer.

Both sides have been aggressively canvassing Brammer's institutional shareholders and both claim a favourable reaction to their arguments.

The unusual three-cornered fight may have a fourth participant next week.

Peek Holdings, a Shell company which recently just failed with a bid for ESE, is expected to closely consider wbether to reoew its attempt in the light of the possibility that Brammer's higber bid for ESE may be barred. Peek is ecting with two businessmen in South Africa.

Brammer issued no formal response yesterday to the new offer, but it was clear that it would maintain its vigorous opposition. Mr John Head, tbe cbairman, said: "Commercielly and philosophically, their business is fundamentally different to ours."

The terms of the Bunzl bid are 72 Bunzl shares and £108 of 7 per ceot convertible loan stock for every 100 Brammer shares. Bunzl's closiog price yesterday, down 10p at 465p, valned the offer at 443p per Brammer share. There is a 420p casb alternative.

Brammer shares gained 4p, to 405p, remaining below the offer price. ESE sbares fell 6p to 109p on the heighteoed uncertainty about Brammer's bid.

China Clays to raise £86.3m

BY STEFAN WAGSTYL

ENGLISH CHINA CLAYS, the clay and quarrying group, is raising £86.3m witb a one-for-four rights issue to help fund future acquisition plans.

The company, based at St Austell, Cornwall, particularly wants to expand its mioeral deposits overseas, primarily in the U.S. and the Far East. f

The rights issue announcement and news that interim profits for the six months to the end of March were up just 7.5 per cent to £24.1m pre-tax brought the company's shares down 3p to 260p on the stock market. The new shares are offered at 230p.

In the past year, ECC has spent £80m expanding its construction materials and housebuilding businesses. It has acquired Charcon, a Midlands concrete flagmaker, and Edwin H. Bradley, a Wiltshire housebuilder.

Now the company's attention is on its biggest division—clays. It is the world's largest producer of cbina clays, widely used in papermaking.

Mr Bob Carlton-Porter, finance director, said the group's priority would be extending the product raoge of the clay division and bte scope of markets it served.

The company wanted to increase the raoge of materials supplied to the paper industry end to customers in ceramics, paint, rubber and plastics, Mr Carlton-Porter said.

The immediate effect of the rights issue will be to reduce group borrowings from about £150m to £65m, at which level they will equal about 14 per ceot of shareholders' funds.

Since its last rights issue in 1977, when the company raised £14.3m, ECC has invested steadily in mineral deposits in the U.S. and in continental Europe, including a stake in the quarries of Carrara in Italy, wbere marble was quarried for Michelangelo.

The company has extended its UK roadstone and construction interests, notably by last year's acquisitions. It has elso developed a leisure division, opearting holiday homes.

It bas faced difficulties in its oil services division however, and bas sold a stake in Katalistiks International, a loss-making petroleum catalyst company. But it failed last year in an attempt to dispose of Internatiooal Drilling Fluids in a £42m deal.

The new shares do not rank for the increesed interim dividend of 4p (3.6p) but will qualify for the final pay-out which the company indicates sbould be at least 6.7p (6p).

Details, Page 10

THE LEX COLUMN

Chips are down in electronics

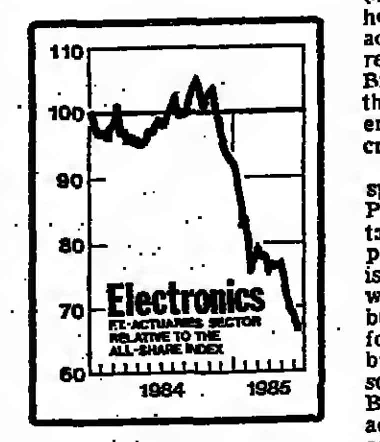
For a sector to fall out of bed once is unfortunate, but to make it a habit, as the electronics companles bave done since the end of 1982, is e form of carelessness thet investors find it bard to forgive. In GEC — the least nnfortunate cboice among the UK majors lately — investors bave lost only a quarter of their money since the top. Wben a company follows up an unpopular rights issue by cancelling its appointments in the City, as STC appears to have done this week, the market is apt to make the worst of whetever information it can get: subscribers to the STC issue have lost a quarter of that investment since February.

Once this sort of thing starts to bappen, the market will inevitably realise that since mooey is not to be made out of buying the sector, it will bave to be made by knocking it. Brokers look for bad news to recommend sales, downgrading their profit forecasts meanwhile; jobbers cut their prices, pulling yet more stock out of the institutional cupboard, which sets off another downward spiral.

Thet is not to say thet the electronics industry bas simply been bammered by the City: this year, there bere been specific shocks from Racal, Plessey (twice), and STC — as well as irritations from the smaller fry like Acorn and Microfocus. But that is not all; having gone through a quite exceptional period at the public-sector trough — taking cost-plus defeoce contracts and sbeltered orders from the unprivatised BT — the top British electronics companies are now heving to live with competition and margin pressure. The days when it was possible to combine reliable growth with cash-accumulation have gone; the market bas suddenly hed to get used to static profits and demands for cash. The braver companies in the sector have indeed looked to find ways of risking their casb on building an internationally competitive position. But they pick up a lot of flak for accidents or mistakes; Plessey's trials with its attempt to break into the U.S. telepbone switch market bave halved its share price.

With the sector now priced at a discount to the market—on the basis of earnings projected to grow at less than the market average—it seems only e matter of time before the corporate raiders begin to appear. The lure of companies which bave strong balance sheets and good technology but can nonetheless be bought for e year's turnover is not something that can be indefinitely resisted. And the first institutional ginger gronps—bent oo prising out ired managements—have already started to form.

Index fell 6.0 to 1001.6



Eng. China Clays

English China Clays could have cbosen e more solid platform for its first call on shereholders since 1977 thao a mere 7.5 per cent increase in pre-tax profits for the half-year to March. No doubt City followers of the company should bevc studied Cornish weather reports more assiduously; but the bad weather that all but seized up the quarrying operations did not make the Bradley building products acquisition look any cheaper now than in December, it does not seem to bave made any money during its first three months, and the extra £13m in Bradley's working capital—though it may be cleared by property disposals—was something of a shock on top.

Last year's £80m in acquisitions was a tremendous mouthful for China Clays, and the group has done fairly well to generate enough cash to hold net borrowings at £150m. While the refinancing of the Bradley purchase must, perforce, be done before it has shown its paces, China Clays also needs money to pick up sbort-haul mineral reserves overseas—especially aa volume in the clay divisioo is ticking away nicely. Add to this a strong chance that the leisure division can attract those holidaymakers staying away from Spain and China Clays should approach £75m before tax for the yeer — even without interest on the rights issue cash.

Bunzl/Brammer

For all the weighty arguments and bitterness on either side of the Bunzl bid for Brammer, it looks as if the battle will be detailed in a scramble to deliver proxies to Worthing on Wednesday. In the hyper-inflationary language of takeover documents, shareholders are always exhorted to act immediately; this time they really must if they wish to stop Brammer issuing more than a third of its equity to gain ESE end thus scupper Bunzl's increesed bid.

In these circumstances, the speed and efficiency of the Post Office may be more important than the £12m or so pre-tax profit forecast Brammer is likely to make today—or whether Bunzl's skills in distribution can be effortlessly transferred to Brammer's different business. Brammer is having some difficulty in arguing that Bunzl's 420p cash offer is inadequate, having promised its own shares to ESE at a lower price, but will no doubt jack up its dividend to match the income uplift offered by Bunzl. The key questiou for Brammer shareholders is whether the handsome price offered by Bunzl — implying a prospective exit p/e of around 8 on the cash offer—can be offset by the benefits to Brammer from the ESE purchase. The Livingstoo electronic rental business is without doubt attractive, and Neve Audio looks saleable now: it has developed e viable sound-mixer (though the other parts are not particularly exciting). But where jam today takes oo jam tomorrow, the former usually wins.

Howard Johnson

Imperial Group has been discussing the sale of Howard Johnson for almost a year so it is not surprising that the company's shareholders are becoming restless. The suggestion that a decision — any decision — was imminent helped to lift the share price 7p to 196p yesterday. Imperial, needless to say, said it was still considering its options.

These seem to boil down to a higher bid of around $400m with strings attached and a lower figure of $350m, cash down. At current exchange rates, Imperial would need to realise close to $400m in order to meet its expenses and repay its investment in sterling terms. So, while the company may by now bave abandoned its bopes of securing $450m for HoJo, it must be tempted to hold out for the higher offer. Six months ago, that might have seemed the sensible course of action. But, given the damage which the uncerteinty must be causing to the HoJo operation (not to mention the Imperial share price), it might now be wiser to plump for a bird in the hand.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Treas. 2½% I.L. 2013	£87⅞	+ 1	A.B. Electronic	355	− 23
Blue Arrow	198	+ 12	Applied Computer	172	− 23
Bodycote Intl.	116	+ 7	Argyll Group	315	− 12
Bowater Inds.	300	+ 10	Brit. Aerospace	381	− 7
Brammer	405	+ 47	Daejan	420	− 15
Falcon Resources	78	+ 5	Davy Corp.	108	− 6
Framlington Grp.	853	+ 65	Energy Services	109	− 6
Imperial Group	196	+ 7	NatWest Bank	655	− 12
Lee (A.)	44	+ 3½	Oceonics	65	− 15
Our Price	585	+ 25	Owen Owen	265	− 20
Prudential	712	+ 7	PWS Intl.	330	− 145
Saatchi & Saatchi	715	+ 20	STC	150	− 8
Utd. Scientific	210	+ 9	TI	274	− 8
Vosper	310	+ 25	Thorn EMI	445	− 7
Woodhead (J.)	36	+ 5	Warner Estate	630	− 36

WORLDWIDE WEATHER

UK today: Cloudy with rain in N. Sunny intervals elsewhere with showers in E. Cool.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
				Corfu	S	25	62	Lxmbg.	C	15	59	Peking	S	27	81
Ajaccio	S	24	75	Dallas	R	20	68	Madeira	C	21	70	Perth	R	18	64
Algiers	S	27	81	Dublin	C	13	55	Madrid		—	—	Prague	F	23	73
Amsdm.	R	14	57	Dbrvnk.	S	26	79	Majorca		—	—	Rykjvk.	R	7	45
Athens	S	29	84	Edinbgh.	F	9	48	Malaga		—	—	Rhodes	S	27	81
Bahrain	S	33	91	Faro	S	20	68	Malta	S	31	88	Rio J'o†		—	—
Barclna.		—	—	Florence	F	27	81	M'chstr	R	11	52	Rome	F	28	82
Belfast	F	12	54	Frankft.	C	20	68	Melbne.	C	12	54	Salzbrg.	F	19	66
Belgrd.	S	31	88	Geneva	C	18	64	Mx. C.†.		—	—	S'cisco†	R	13	55
Berlin	F	23	73	Gibrltr.	S	25	77	Miami†	S	27	81	Singapr.	C	30	86
Biarritz	F	20	68	Gl'sg'w	C	9	48	Milan	C	26	79	S'tiago†		—	—
Bmghm.	F	10	50	G'rnsey	F	12	54	Montrl.†	S	13	55	Stckhm.	F	13	55
Blackpl.	R	9	48	Helsinki	S	11	52	Moscow	C	10	50	Strasbg.	C	18	64
Bombay	R	26	79	H. Kong	R	26	79	Munich	C	16	61	Sydney	S	15	59
Bordx.	F	20	68	Innsbrk.	R	18	64	Nairobi		—	—	Tangier	F	21	70
Boulgn.	R	10	50	Invrnss.	F	8	46	Naples	S	27	81	Tel Aviv	S	26	79
Bristol	C	11	52	I.o.Man	S	11	52	Nassau		—	—	Tenerife	S	24	75
Brussels	R	15	59	Istanbul	S	23	73	Nwcstl.	S	9	48	Tokyo	S	29	84
Budpst.	F	26	79	Jersey	F	11	52	N Delhi	S	36	97	T'r'nto†	S	14	57
Cairo	S	32	90	Jo'burg		—	—	N York†	S	16	61	Tunis	S	27	81
Cardiff	C	12	54	L. Plms.	S	24	75	Nice	S	24	75	Valencia		—	—
Cape T.	S	18	64	Lisbon	F	21	70	Nicosia	S	24	75	Venice	F	27	81
Chicg.†	C	12	54	Locarno	C	18	64	Oporto	C	18	64	Vienna	F	25	77
Cologne	F	20	68	London	C	10	50	Oslo	R	9	48	Warsaw	C	21	70
Cpnhgn.	C	13	55	L. Ang.†	S	17	63	Paris	C	15	59	Zurich	C	16	61

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Lear Fan

Continued from Page 1

the need for any additional investment by the British Government.

When the project ground to a halt two weeks ago Lear Fan executives said the eircraft would need an additional $100m to get into production.

Efforts by Lear Aerospace to restart the project appear to hinge on complex legal negotiations with the Governmeot and previous backers of the aircraft over technology and production rights.

These negotiations could be complicated by a series of bankruptcy filings made io the U.S. by units of the old Lear Fan group, which is controlled by Mr Bob Burch, a Denver businesman, representing the interest of two Saudi investors who have an 85 per cent interest in the parent bolding company, Fan Holdings.

Mrs Lear (who bas invested $13m of ber own money in the project, has seen ber equity interest in the old Lear Fan group whittled away to just 1 per cent. On Thursday sbe resigned as a director of Lear Fan Ltd, the key operating unit, after it filed for bankruptcy uoder cbapter seven of the U.S. bankruptcy code in Denver, Colorado. Under this section the assets of a company are normally liquidated.

The Lear Fan Ltd filiog lists asets of just $7m and liabilities of $475m.

Even if Lear Aerospace succeeds in overcoming these obzstaclee it will still face a substantial challenge.

A number of other U.S. companies, including Beech Aircraft, the Raytheon subsidary and Avtek, a venture capital group, have unveiled similar advanced-technology composite planes.

Andrew Fisher writes: Mr Michael Jordan, the Government-appointed receiver of the Northern Ireland arm of Lear Fan, said last night be knew nothing of the Lear Aerospace venture, but would be going to the U.S. next week on a purely fact-finding visit

"It's interesting and we'll have to wait and see what happens." He bad not yet bad any contact with the Lear family. They would have to talk to him if they wanted to restart the Belfast plant.

"It is fraught with legal problems, the whole Lear issue," said Mr Jordan, a partner in Cork Gully, the London-based insolvency specialists. It was still not clear who had the rights to the technology for the aircraft.

He thought that the U.S. side might "beve a lot going for it" as far as technology rights were coocerned. "What they're doing may have some substance."

Even so, exact ownership of tbe technology still had to be clarified, with a mass of documents to be studied.

After his eppointmeot last week, Mr Jordan expressed the hope that companies in North America, Western Europe, or Japan would rescue the project. Yesterday be said he had not yet spoken with any likely rescuers.

British Rail

Continued from Page 1

the letter to their solicitors, but Mr Rey Buckton, Aslef general secretary, said of the board: "I think they have made an absolutely stupid mistake."

He thought industrial relations bad been improving in BR recently, and said he was both "surprised and concerned" when he received Mr Baker's letter.

The NUR said: "It is regrettable that this course of action should be taken at a time when the board states that the industry requires stability in the mining dispute." The union warned that the board's ection would make impossible union co-operation oo such items as productivity improvements.

Registered at the Post Office. Printed by St. Clements Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.

هكذا من الأصل

WEEKEND FT

Saturday June 8 1985

• MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV •

Spain's new frontier

Next week, Spain signs the EEC treaty, a return to Europe 400 years after the Armada. David White, our Madrid correspondent, reports

WHEN 1,000 Spanish bureaucrats descend on EEC headquarters to take up their new jobs, they will be rolling back 400 years of history. The Spanish have been in Brussels before. Exactly four centuries ago the city was under the control of Spain's armies. The Spanish Crown was the most powerful force in Christendom, and the invincible Armada had not yet been sent.

From then on, however, a Spain in decline has let Europe pass it by. Like Portugal, it has spent most of this century cultivating an image of splendid isolation. Now, both are about to arrive in the European Community, not cap-in-hand, but as poor relations.

The ceremonial treaty-signing set for next week is not just the culmination of six years at the negotiating table. Spain, after opening up its economy at the end of the 1950s, has had to wait 23 years since the Franco dictatorship made its first overtures to the EEC.

Long humiliation has marked Spanish attitudes to the community. During the tough last stages of bargaining over entry terms, press reaction moved in dizzy swings between triumphant optimism and outraged pessimism. Today, there is nobody in the EEC quite as gung-ho about Europe as the Spanish.

When Britain joined in 1973, the debate was all about economics. In Spain, this facet has hardly featured until very recently. Ordinary people have only just begun to consider what material changes may be in store from the "historic project," and government economic planners have still to finish work on the implications.

For Spaniards, membership is, above all else, a psychological change. Although they usually keep it below the surface, they have had a national inferiority complex over Europe. Now, for the first time, they see themselves being able to go beyond the confines of the Pyrenees and feel like normal people. As a student friend, Antonio Fernandez, put it: "We're fed up with being treated as if we are all concierges or construction workers."

Spaniards have the habit of using the word "Europe" the way the British do—meaning something that does not include them. As Spain celebrates its imminent integration, its commentators dwell on everything that makes it an oddity; on the daily evidence of strain between the country's aspirations and the aspects of Spanishness that keep it anchored close to the shores of Africa. The week entry terms were agreed, the main rival for popular attention was a story about a bullfighter, which—mainly because of its timing — dismayed as many people as it intrigued (some "progressive" Spaniards — such as Sr Luis Solana, Socialist chairman of Telefonica, the country's telecommunications giant — regard bullfighting as "atavistic savagery," anyway and would like it banned).

The story — a cross between a novella by Mérimée and a folksy remake of *Divorce Italian Style* — involved a well-known matador alleged to have used hirelings in an attempt to murder an ex-footballer who had an affair with his wife. But the matador's failure to do the deed himself meant he had broken the gypsy code and lost his honour — which he rescued, as well as gaining forgiveness, through his courage in the Seville bull-ring. The tale was so cornily Spanish that half the country winced with embarrassment: it was most definitely not "European."

The same kind of reaction greeted the first outbreaks of mayonnaise poisoning, a perennial summer occurrence in which the catering profession fells whole wedding parties, first-communion celebrations, schools and army battalions. Hygiene and safety are among the standards that are seen as improving once Spain is immersed in the EEC environment.

The Franco regime sold the country to mass tourism in the 1960s and 1970s with the slogan "Spain is different." Now that slogan is abominated. Spain is fed up with being different.

There is another dissimilarity between Spanish entry and that of Britain. In 1973, the UK was profoundly perturbed about what had happened to its place in the world, about the Commonwealth and about its traditions. The Spanish feel their distinctness as a weight on their shoulders and hope Europe will help to shrug it off.

In a country where regional and social divisions run deep, Europe is one issue — the only issue — on which there is a national consensus. From the time of the tourist invasion, Spaniards have yearned for Europe — its health care, its holidays, its latest cars, its consumer goods, its fashions. A local market vendor in Madrid recalls going off to Belgium in the 1960s to work in a factory. "Dammit," he says, "I was getting more than an engineer in Spain in those days."

Don Quixote and Sancho Panza ride north

For Spain, Europe has become a myth, and that is the trouble. Coming to terms with the prosaic realities of the EEC threatens to bring disillusionment and frustration within only a short period of joining.

Public debate in and outside Parliament about the implications of joining, in terms of either economic sectors or Madrid's relations with the newly autonomous regions, has up to now been remarkably lacking. Spanish political life has been more than occupied in the last ten years with its own survival. Since Franco died in 1975, the country has been through tremendous change—legalising parties and unions, writing a modern constitution, liberalising the press, setting up regional home rule, the advent of Socialist government for the first time since the civil war. The changes have come amid a game of nerves against sectors of the army which remained nostalgic for dictatorship: it is, after all, less than three years since the last coup conspiracy by officers.

Spain applied to join at a time when its democratic "transition" was only just beginning. Membership was essentially a political concern, a bid to gain support for a fragile democracy and make it fast to the rest of the Continent. The economic reasons for joining came to the fore only as the perceived threat to constitutional monarchy receded in the last phase of the negotiations. That is one reason why the final bargaining sessions were so prolonged and difficult.

The fact of joining has never been an issue in Spain: a clear majority is in favour, even if many are unsure why. It is a case unique in Europe of having full backing for membership from all political parties and trade unions. (In this, Spain differs from Portugal, where the entrenched Communist Party and some business interests are adamantly against.) But the Spanish economy in the EEC becomes more vulnerable than it has been during the last 15 years of privileged trade relations with the community; and the administration in Madrid hardly knows what is coming. For many, Europe risks being a bitter let-down.

This is not to say that Spain has got a bad deal from the Ten: an opinion poll showed 60 per cent of the people think it is a good agreement. But, in reality, it is neither; in agriculture, it is rather worse than expected. Mediterranean farmers (the ones everyone in Europe knows about) will do well but must sit through ten transition years, while small dairy farmers in the rainy north look doom in the face. Fishermen do rather better than expected, even if they have to scrap part of their enormous fleet.

In industry, which is where the biggest changes are likely to take place, the agreement is a seven-year survival course, and the impact will differ within individual sectors. Private-sector Spanish-owned manufacturing companies are mostly small, which gives them manoeuvrability. On the other hand, they are often desperately short of the capital to do anything about it. Sixty years of protectionist policies have made them unaccustomed to open competition and few companies, Spanish or foreign-owned, are even close to EEC productivity levels. By the middle of the transition period, as import tariffs come down, their competitive credentials in their own market will be put to the test.

The EEC will not offer Spain a sudden growth in exports, but slow expansion of an existing market. Half of Spain's exports already go to the Community, and the country already is the EEC's principal farm supplier after the U.S. and Brazil. On the other hand, entry will mean many more EEC goods competing in Spain, where they now have only a third of the market.

What is bad news for industry is good news — partly — for Spanish consumers. They stand to benefit not only from better protection and better standards but also from a much wider variety of products. Housewives will have a bigger choice of cheese, meat or kitchen equipment: at present, for instance, the stoves on offer are almost all the same, none of them big enough to contain a good-sized turkey.

Later on, motorists will be able to buy petrol brands familiar to other Europeans, but they will also pay more: for cars, cigarettes, luxury goods — and also, thanks to farm support prices, for some of the things Spain has in greatest abundance, such as fruit and olive oil.

Commercial and professional practices will change. Transporters will have to fit tachometers, thereby raising the general life expectancy but revolutionising their work system. Dentists, a small and privileged group, will find their profession opened up by EEC norms. Lawyers will have to work double-time absorbing Community law. The pharmaceuticals business has to adapt to a totally new patent system based on products and not, as at present, on processes. And the little red-and-yellow signs identifying "estancos," the retail outlets for Spain's tobacco monopoly — as much part of the scenery as red telephone boxes in England — may have to go, since Brussels frowns on national flags being used for promotion.

The country will adapt, though, and the one advantage of negotiations having lasted so long is that it has been able to get started ahead of time. The Socialist government has got a much-delayed programme for restructuring heavy industry off the ground, and has begun adjusting the monopolies set up in the 1920s to conform to EEC competition requirements, notably in oil: petrol grades have been changed to conform with EEC standards. VAT is ready to come into force from day one of entry next year.

Diplomats with experience both in Madrid and Brussels believe Spanish entry will be easier in many respects than the UK's, certainly less traumatic than Greece's in 1981, and probably smoother than that of Portugal, a poorer and less productive country, with a civil service that is weaker and has even less international experience than Spain's.

But entry comes awkwardly in the midst of a process of administrative change. Spain is in the throes of decentralisation and, at the same time, of attempts to shake up the more stubborn sectors of public life. Although it has modern laws and many of the trappings and symbols of a 1980s' society, its judiciary, schools and civil service all are out of touch and its welfare system is doubly cursed: it does a poor job and costs too much.

One spectre, which loomed ominously when talks became bogged down last year, now has faded: the prospect that Spain might rush to get into the Community and launch itself immediately into a process of perpetual renegotiation. Unlike the Greeks, the Spanish have negotiated their agreement through to the end: it covers everything from cotton knickers to chewing tobacco, includes a system of rebates like Britain's to insure against becoming net contributors in the initial years, and has many inbuilt safety valves.

And as the Community struggles against the paralysis of its institutions and against the defensiveness of national economic policies, Spanish and Portuguese political leaders have every interest in seeing it work better.

Sr Felipe Gonzalez and Sr Mario Soares, the respective prime ministers who are old friends with a touch of personal rivalry, both maintain that the new members can contribute — and in more fields than their usefulness as links with Latin America and Africa, which is rather overstated. Sr Gonzalez has pledged himself to an "active role" in remodelling the EEC's institutions, backs the idea of a supranational Europe, and supports the principle of majority decision-making.

"We have to do it because Europe demands it" has already become a potent weapon of government. In an oblique way, Sr Gonzalez is using it to bring public opinion around to accepting his own change of stance on Nato. The Socialists, who came to power just after Spain joined Nato, still are promising a referendum on the issue — timed significantly in the immediate aftermath of EEC entry. Although never explicit, a connection has been created between joining the EEC and staying in the alliance, the EEC serving as a kind of excuse before the Socialist electorate.

The Europe wanted so strongly by Spaniards will be used in the same way to justify modernisation measures they otherwise would not want at all. In the end, it is not Europe that is going to change Spain, but what Spanish governments do. Their success or failure in rationalising the economy will be evident once the bulk of the barriers have come down, perhaps after four years.

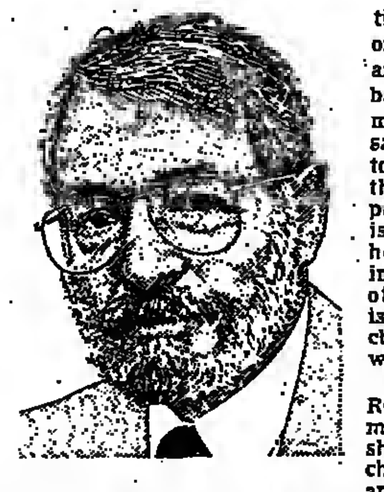
Europe is still largely an unknown quantity to Spain, just as Spain — the Continent's fifth-largest economic power —is to most Europeans. The fact that 6m holidaymakers go there from the UK each year does not mean the British know Spain well at all; and no British prime minister ever has paid a visit.

Spain, for its part, still has to come to terms with European realities. Unlike Britain, it has had to negotiate its way into the EEC in the midst of a depression. Now that Spaniards are taking a closer look, they are coming to realise that the Common Market is not a promised land. But they are going there anyway: it can't be worse than the wilderness.

The Long View

Why monetarism has gone out of fashion

We have found that controlling the supply of money is about as simple as getting a grip on a healthy well-greased conger eel, Anthony Harris says



IT ALL sounded so simple not so long ago. Inflation is caused by too much money chasing too few goods, so if you refuse to print too much money, inflation will stop. Well, not actually print too much money: in this sophisticated age, we do not carry our money around in sacks full of banknotes: so we in Britain decided to control the supply of money as broadly defined—cash plus bank deposits, or Sterling M3 as it has become known.

Even since we took that decision, we have found that controlling the supply of money is about as simple as getting a grip on a healthy, well-greased conger eel: and now the Chancellor of Mrs Thatcher's monetarist government is reduced to telling us, in effect, that it was all a mistake, and that Sterling M3 is just a number, whose meaning is almost impossible to decypher.

I welcome this belated outbreak of common sense, and so do most of the students of the subject who have to put their money where their analysis leads—stockbrokers like Phillips and Drew, who were never monetarists in the first place, or like W. Greenwell, who are famous for monetarism but want to set about it in a totally different way.

However, the outsiders whom I might call philosophical monetarists tend to dismiss all technical criticism as over-learned nit-picking, while the ordinary investor in the street, after years of propaganda about the importance of controlling the money supply, is probably suspecting that the Government is quietly selling the pass against inflation and now intends to print its way out of unemployment before the next election.

This is not even a travesty of the truth: but to understand why the new line is reasonable and indeed responsible, you have to understand what has gone wrong. To see the whole picture, you have to stand a long way back, and look at the arguments which made monetarism fashionable 10 years ago. They were based, you may remember, on Professor Milton Friedman's study of U.S. monetary history.

Now the trouble with history is that it is about the past; and it happens that the monetary past of the United States bears very little resemblance to the monetary present in Britain. To pick two of the more important differences, U.S. banks had a habit until quite recent years of negotiating loans at fixed interest rates, and as a consequence had no overdraft system: and the interest which U.S. banks could pay on ordinary deposits was limited by regulation, to protect the American equivalent of our building societies, the savings and loans.

Now if you raise interest rates in a system like that, two things happen. Loan demand falls, because would-be borrowers hope to be able to negotiate lower rates later: and ordinary investors buy bonds and Treasury bills, because the banks are not allowed to follow money market rates up, and the savings and loans do not want to if they can help it. Indeed, their efforts to avoid having to pay more for their funds than is coming in from mortgage holders causes a credit crunch in the housing market. In other words, the whole system is very sensitive to interest rate changes—as the British system was in the 19th century.

This meant that the Federal Reserve had the power to manager the economy in the short run (and when budget changes take months of hassle and compromise to get through Congress, nobody else can do the job). What Friedman found was that under these conditions, the growth of the money supply —just cash and sight deposits— was a good indicator of whether policy was courting inflation, or strangling the economy, or about right.

It was the effort to translate this message from American into English which caused all the trouble. Ours has long been a very different system, with overdrafts (spending power which isn't money until you spend it), lending rates which float both for bank loans and mortgages, and no legal ceilings on usury.

What is more, the officials who control the Treasury and the Bank of England—the faceless men usually known as "the authorities"—were not so much concerned with running the economy as with their perennial battle to control Ministers, as beautifully expounded in "Yes, Minister." So we tried to target total credit (remember DCE?) and broad money. Except by accident, it doesn't work.

There are two troubles. The first is that whereas in the old U.S. system (but not so much today), money and credit obediently contracted when rates were pushed up, in the UK they tend to accelerate for quite a time. Higher deposit rates attract savers, while higher loan rates don't discourage borrowers if they think that rates are going to fall again—the very consideration that used to make U.S. borrowers hold off.

Second, the British method of getting out of this jam—persuading savers and pension funds to swap their cash for gilts—raises problems of its own. First, buyers won't buy as long as they think rates may rise; so we have a history of huge spikes in rates. This at least used to frighten the Cabinet when the object was to fund the Government's own borrowing and axes were wielded; but nowadays, when the Government has cut its own borrowing and we still get funding troubles, Ministers simply get cross. Quite right too.

The whole mess was despairingly summed up long ago by Charles Goodhart, the charming monetary expert who is just about to leave the Bank for the sanity of a university, in Goodhart's Law: any monetary target chosen by a British government will become meaningless within six months.

So where do we go from here? To new techniques, and to an emphasis on new targets —MO, or little Mo, which is simply the money the Government prints (and which we were once too sophisticated to take seriously); and the exchange rate. That isn't as big a change as it sounds. With the exception of one ghastly accident in Mrs Thatcher's first 18 months—when, you will remember, an M3 "explosion" ushered in a slump—we have always let the foreign exchange market run our interest rate policy; and this is an anti-inflation policy.

There is good news, too, even for those who have learned to love M3. When we stop struggling to control it, it will probably start behaving itself.

•CONTENTS•

London

Investors flock to Abbey

PARTLY BY luck and partly by design the timing of the record breaking Abbey Life Group offer for sale could not have been better. Abbey, which is the second largest linked life company in the country, is dropping into the market with £243m worth of shares on offer just as the Government's Green Paper on pensions is published setting out glittering opportunities for the life insurance sector.

Despite the sheer size of the offer, which is the biggest new issue to come to London outside the Government's privatisation programme, there will be no shortage of takers. Over the weekend investors up and down the country will be filling in application forms and unless something totally unforeseen depresses the market the offer should be heavily oversubscribed on Wednesday morning.

The U.S. conglomerate, ITT, is selling 48.2 per cent of Abbey in the issue with 135m shares at 180p a time. Like Hambro Life, Abbey can predict its actuarial surplus with a fair degree of accuracy so it comes to market confident of steady profits growth for the next couple of years. It is forecasting a surplus of £33m for 1985 and a dividend payment of 6.6p per share.

On these numbers the price is pitched on a prospective p/e of 15.3 and yield of 5.24 per cent. Before the prospectus was issued there had been talk that the offer would be priced with a multiple of nearer to 20 and an income return more like 4½ per cent.

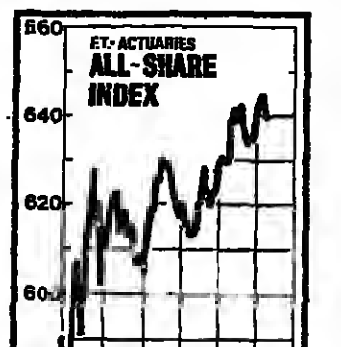
The stags are bound to be out in force and a premium over the 180p price seems almost inevitable once dealings get under way. A safe bet at this stage is to think in terms of a market price of 200p where the yield would be 4.7 per cent. Initial dealings could easily go 10p or 20p higher buy beyond that a yield of, say, 4.8 per cent seems fair for Abbey within the sector which suggests that 200p is the sort of sustainable price the shares could settle on once the flurry of existing stags and entering underweight institutions is out of the way.

The general market background to Abbey's issue remains basically firm despite the weakness yesterday. A little unease is understandable for although the money supply figures, out on Tuesday, proved broadly in line with City expectations with sterling M3 having risen by ½ per cent in the month to mid-May against the unnerving 2.9 per cent jump the month before, the market still lacks a genuine feel about the direction of interest rates. Anxieties over the oil price are also taking som edge off the market.

Outside that overall picture a couple of sectors stood out, in particular electronics where the jobbers' red pens were much in evidence throughout the week. The sector is almost a third off the peak of last year. No matter what positive arguments can be drummed up for buying—and does Ferranti really deserve a p/e similar to that of Dowty?—the market is alyl one way and there seems to be little reason to suppose that will change in the near future.

Another sector to come in for some downgrading was food retailing. Late on Thursday prices fell sharply on fears that a new price war was imminent. Rumour had it that Asda was about to take the initiative with some heavy price cutting. The story was true up to a point.

Next week Asda will start a promotional campaign with price cuts being advertised on up to 300 lines of popular grocery items. But far from being the beginning of another price war, Asda is simply bringing forward the campaign it normally reserves for the autumn. And the reason for the early start this year is its belief that the miners have got some cash *in their pockets again.*



Elsewhere in the retail sector there was a reasonably heavy diet of news for the market to chew over. Burton posted its offer document in its pursuit of Debenhams but by the time shareholders and analysts had waded their way through it the sum of knowledge was not greatly enhanced. Burton's main argument is that it, alongside Habitat Mothercare, will be able to transform the department stores into much more profitable sites.

Those that have followed the progress of Burton and Habitat seem happy enough to believe the story. Yet Debenhams cannot be transformed overnight, as its own management will testify, and the programme will be expensive. And that is perhaps where even the stoutest devotees of Burton and Habitat get a little edgy.

The terms Burton is offering puts a value of close to 340p a share on Debenhams, way below the current market price. If Burton is tempted to offer a higher bid of 425p or 450p a share to win the battle the market is bound to doubt whether the returns will justify the price tag, even on a long term view.

Anyway, for the moment, investors can concentrate on the retailing concepts, and further evidence of what the would-be owners of Debenhams can do came this week with the full year results of Habitat Mothercare. Pre-tax profits came through £5.9m higher for the twelve months at £36.5m, around £1.5m above market expectations.

After some unexciting interim figures Sir Terence Conran has again produced the 20 per cent growth rate (well almost) for the year as a whole that the analysts look for as a matter of course, no matter what is happening elsewhere in the High Street.

Despite some concern that the two basic chains, Habitat and Mothercare, were becoming a little tired both have performed well. Mothercare continues to reap the benefits from the revamp of its merchandise with improved volume and better margins while Habitat too held its margins despite the cost of the new Heals store in Croydon. This year the group looks on the road to £45m pre-tax while the harvest from the 35 Richards shops will come through in earnest the year after.

One of the other notable set of results this week came from Reed International. The profits, which came out 12 per cent higher at £107m pre-tax, were bang in line with the market's hopes so there were no surprises. But the figures did endorse the City's current enthusiasm for the transformation of Reed from an ugly-duckling mature paper group, with all sorts of peripheral activities, into a beautiful swan shaped publishing house—with a couple of other divisions tacked on for good measure.

During last year there was a string of disposals aimed at improving the quality of group profits. And the process continues. Within the last couple of weeks Reed has put its building products business up for sale at a price of just over £100m and a U.S. group is set to buy Sanderson, one of the best known furnishing fabric companies in the UK.

By the end of this year publishing activities could account for the best part of two-thirds of group profits which could be up around £120m pre-tax. The shares have enjoyed an exceedingly good run over the last couple of year and given the changes a historic p/e around 11 is hardly demanding. But the market believes there is still some way to go before that beautiful swan can spread its wings.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1985 High	1985 Low	
F.T. Ordinary Index	1,001.6	− 0.9	1,024.5	928.7	Hopes of interest rate cut fade
Bio-Isolates	54	+24	56	27	Rally after underwritten rights issue
Bowater Inds	300	+32	302	215	Bid speculation
Cartwright (R.)	176	+16	180	106	Counter-bid from Newman-Tonks
Common Bros.	*32	−26	98	32	Proposed financial reconstruction
De La Rue	940	+85	940	787	Impressive annual results.
Exeter Building & Constr.	133	+33	133	75	Kent Holdings' 140p tender offer
Falcon Resources	78xc	−25¼	174	66	Lack of support
Framlington Group	853	+138	853	700	Acquisition news
French Kier	177	+24	182	117	Continued takeover speculation
Geers Gross	75	−33	170	75	Profits warning
Henderson Administration	855	+120	855	580	Annual profits up 43 per cent
Jaguar	291	+26	363	252	Persistent U.S. support
Legal and General	738	+50	738	548	Abolition of SERPs
PWS International	390	−138	560	390	Poor results
Plessey	135	−7	212	130	Further profits downgrading
Rayford Supreme	345	+135	350	150	Agreed bid from Harris Queensway
STC	150	−20	289	144	Profits downgraded
Tate and Lyle	498	+36	513	417	Takeover speculation

* Price at suspension

Unlisted Securites Market

A break to consolidate for Sangers

FULLY-LISTED, loss-making and in the mature business of pharmaceuticals wholesaling, Sangers plc was not the *sort of* company that the USM ever was intended to house. Yet, the market could not be suiting its needs better.

Sangers came to the USM by *an unconventional route,* as the only company so far to be demoted from the main market. It *stepped down to make pos*sible the takeover of Pavion, a privately-owned U.S. manufacturer of down-market cosmetics. The unusual deal involved a nine-for-eight rights issue, the sale of £9m convertible loan stock, a tax efficient package containing perks and bonuses, and a $350,000 salary for Pavion's owner, Stanley Acker. The proposed takeover fell short of stock exchange requirements as Pavion did not have five years of audited accounts behind it, although its three-year record met the USM's less stringent rules.

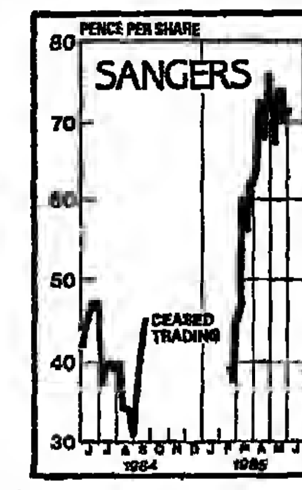
Sangers now is enjoying a temporary spell on the USM from which it hopes to re-emerge on the main market next year with a new name, a new business, and a couple of investments in USM satellites.

Its shareholders are enjoying the break, too. From a starting price of 33p in January this year, the shares have now more than doubled to capitalise the company at about £37m. If the price slipped back a few pence after the results were announced this week, it was certainly not because shareholders were disappointed at a turnaround from a loss of nearly £300,000 to a profit of nearly £600,000: it was because they were confused at the way the figures were put together.

Pavion, which is expected to make around £5m in the full year, was reported as contributing £709,000 for the 18 days that were included in the results. That looked on the high side even for a company rated by an American business magazine as the 13th-fastest growing privately-owned company in the U.S.

Even when Pavion is allocated its share in the group's central overheads, its contribution (without which the rest of Sangers was barely profitable) is, though less startling, still surprisingly large. Mr B. Flinn, chief executive of Sangers, explains that it is due partly to Pavion's delivery pattern being heavier during the last two weeks of the month.

The results contained some other odd-looking numbers. A



£500,000 loss on property activities was apparently related to unlet leasehold warehouse space left over from the group's pharmaceutical businesses sold in 1982. The leases do not run out for another three to seven years, but the company is hoping *to sell them in about two* years.

A 65 per cent tax charge was *peculiarly* high, especially as Sangers has three years of offsettble losses under its belt.

No doubt all will be clear when the report and accounts are published later this month. *They will show a balance sheet* strained severely by the acquisition. The £25m of total assets will be dominated by intangibles; trademarks, consisting mainly of Pavion's Wet'n'Wild brand name, are carried at about £13m, and goodwill at £2.5m, both of them being written off over a leisurely 20-year period. On the other side of the balance sheet, £10m in current liabilities and £9m in convertible loan stock are supported by shareholders' funds of only £6m.

None of this may matter too much if Pavion performs as the group expects. Strauss, Turnbull, the company's broker, is forecasting profits of £7.75m for Sangers in 1986, which puts the shares at 71p on a prospective earnings multiple of seven. The forecast seems to take a fair amount on trust, but explains the speculative interest in the shares.

Before Sangers emerges on the main market under the new name of Pavion International it has some more rationalising to do. Mr Flinn says the company will announce the details of a plan to reverse its U.S. subsidiary, Solidyne (which might make profits this year of about £60,000) into the tiny USM-quoted company Stanelco, in which Solidyne holds 60 per cent of the shares. Both make heating equipment.

This should be welcome news to Stanelco's shareholders, who have been waiting patiently for such a move for nearly two years.

Lucy Kellaway

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND DEALS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Adams & Gibbon	260*	266	234	4.68	Keep Trust
Allied Textile	468	440	430	42.45	Berkeley Expin
Applied Botanics	1¾§§	2	4¼	0.86	REA Hldgs.
Brammer	443⅞§§	405	348	132.03	Bunzl
Brit American Tst	¶¶ §§	109	323	¶¶	Shires
Carr (John)	95¼§§	95	88	65.33	Rugby Prtld Cmnt
Cartwright R.	181§§	176	163	12.15	Newman Tonks
Colo Group	189§ §§	188	122	5.67	Moss (Robert)
Debenhams	341§ §§	401	327	478.06	Burton Group
Energy Services	152§	109	97	57.22	Brammer
Formdesign	180*	173	160	4.50	Hunterprint
Gill & Duffus	175§§	170	190	115.69	Dalgety
Higsons Brewery	252§§	227	225	25.52	Boddingtons
Mobon	125*	120	74‡‡	6.76	BP
NFI	300	295	258	590.97	Assoc Dairies
Muirhead¶	164‡†	158	148	14.01	RHP
Petrolex	93‡§§	83	81	14.64	Aran Energy
Petrolex	74	83	81	11.56	Saxon Oil
Planet Group¶	106½	104	88††	10.66	Heywd Williams
Ryfrd Supreme	360	345	290	31.06	Hrrs Queensway
Selincourt	33½	29	28½	17.47	Stormgard
Solicitors Law	38	37	37	4.38	Hollis Bros
Solicitors Law	35*§	37	41	4.03	Pergamon
Times Veneer	20*§	39½	49	1.41	CDI Hldgs
Trident Computer	88½	75	70	2.16	Park Place
Westland	150*	142	140	88.90	Bristow Rotocraft
Yorkgreen	15½	13	10	1.70	Talbex Group

* All cash offer.. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on June 7 1985. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ||| Loan stock. ‡‡ Suspended.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Airflow Stream	Feb	624	(620)	5.5	(5.6)	1.0	(1.0)
Amber Ind Hldgs	Mar	696	(659)	13.9	(12.8)	6.0	(5.5)
Brown & Jackson	Dec	73	(687)	—	(1.92)	—	(—)
Brownlee	Mar	2,600	(2,690)	9.1	(9.9)	4.0	(3.5)
Burroughs. J.	Feb	8,330	(7,796)	—	(—)	10.5	(9.6)
Century Oils	Mar	1,200	(3,060)	4.1	(7.5)	3.5	(3.5)
Chapman Ind	Mar	1,020	(823)	—	(—)	8.4	(8.0)
De la Rue	Mar	46,430	(37,360)	78.9	(61.1)	30.0	(25.0)
Falmouth Ship	Mar	216	(672)	—	(—)	—	(—)
Fisher Pet	Dec	4L	(33)L	—	(—)	—	(—)
FKI Electricals	Mar	3,480	(2,260)	—	(—)	0.5	(0.43)
Freshbake Foods	Mar	1,140	(1,980)	2.7	(5.6)	1.7	(0.85)
Gieves	Jan	1,010	(1,230)	7.4	(11.6)	3.0	(2.5)
Hab/Mothercare	Mar	36,500	(30,600)	22.3	(18.2)	8.0	(6.5)
Henderson Admin	Mar	12,480	(8,730)	67.3	(—)	16.0	(10.0)
Hill Samuel	Mar†	31,930	(25,341)	33.0	(34.1)	11.55	(10.5)
Holden Hydro	Mar	147	(312)	5.1	(14.3)	3.25	(—)
LCP Hldgs	Mar	7,460	(6,130)	10.4	(9.2)	4.2	(4.0)
Morgan Comm	Mar	825	(509)	7.3	(4.8)	2.5	(0.3)
Norcros	Mar	34,320	(33,050)	20.2	(19.6)	8.0	(7.5)
Pegler-Hattersley	Mar	18,110	(17,020)	33.6	(30.6)	14.5	(13.5)
Plysu	Mar	3,870	(3,308)	14.7	(13.4)	3.25	(2.7)
Reed Int'l	Mar	107,500	(96,400)	53.6	(57.7)	18.5	(16.5)
Sangers	Feb	577	(279)L	0.2	(—)	—	(—)
Sketchley	Mar	10,150	(10,830)	27.1	(32.4)	15.3	(14.0)
Southend Stad	Dec	116	(147)	1.3	(1.4)	0.55	(0.55)
Time Products	Jan	3,100	(2,700)	5.1	(5.0)	1.5	(—)
UKO Int'l	Mar	3,600	(2,753)	20.8	(15.0)	5.0	(3.0)
Wassall, J. W.	Jan	88	(82)	7.6	(6.9)	1.0	(1.0)
Wettern Bros	Dec	94	(90)	5.0	(5.2)	1.0	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Blue Arrow	Apr	90	(312)L	0.4	(—)
Canvermoor	Mar	63	(108)	1.2	(1.2)
Carlton Comm	Mar	4,860	(2,370)	1.95	(1.46)
Carr, John (Donc)	Mar	3,010	(4,220)	—	(—)
Dobson Park	Mar	5,680	(4,450)	1.9	(1.9)
Hanson Trust	Mar	106,100	(64,400)	1.5	(1.17)
McCorquodale	Mar	5,110	(3,780)	2.3	(2.0)
Nottingham Brick	Mar	808	(520)	—	(—)
Ratcliffe, R. S.	Oct	58L	(4)L	—	(—)
United Spring	Mar	231	(53)	0.3	(—)
Wistech	Mar	1,920	(1,870)	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown not pence per share except where otherwise indicated. † Net profits. L Loss.

RIGHTS ISSUES

Bio-Isolates—To raise £840,000 through a one for three rights issue at 33p.

Hugin Group—To raise £23.5m through a one for one rights issue at 170p.

Blue Arrow—Rights issue of 4,655,614 shares on basis of five for seven at 145p.

Union Discount—To raise £14.4m through a one for four rights issue at 600p.

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Abbey Life—Offer for sale of 135m shares at 180p.

Blue Arrow—Placing of 1,592,356 shares at 145p.

Sturge Holdings—A full listing via an introduction of 26,384,011 shares.

Results due next week

Beecham is set for jab in the arm

BEECHAM'S PROFITS have been growing at a dwindling rate for the past four years: but results next week should break that trend, with a £47m jump pre-tax to £315m.

Most encouraging will be an improvement in the languishing pharmaceutical business, which has been given a jab in the arm by the new antibiotic drug, Augmentin, which was launched last autumn and has been a great success, especially in the U.S. Other new products — Timentin, Bactroban and Relifen — launched more recently should also have a healthy effect on the division.

The consumer products group is bound to have had another good year, mainly by dint of the latest acquisitions: Roberts, BA Cosmetics and Unibond.

As the U.S. dollar weakens, Beecham's currency gains shrink: and after an £8m gain in the first half, the full year's benefit is not likely to be much more than £10m.

Pilkington Brothers' announcement this week that the redundancy programme at St Helens, started five years ago, still has some way to go has cast a shadow over news of the results for the year to the end of March, due on Wednesday. The City is less happy than ever about the company's December rights issue, which was roundly criticised at the time. Consequently, forecasts have been trimmed back to about £115m pre-tax (£88.3m), in the fear that the improvement in UK trading results will have fallen short of expectations.

Some bad news from overseas had already been anticipated—the South African operations are suffering from recession, compounded by the weak rand, and in West Germany Flachglas is beginning to feel the effect of a weaker housing market. However, the U.S. associate, Libbey-Owens-Ford, is still going strong buoyed by good demand. As forecast in the rights issue announcement, the final dividend will be 1p higher at 7.5p, making 12.5p (11.5p).

Since rights issue forecasts are there to be beaten, it will be no great surprise on Wednesday to see Tesco come out with a little more than the £81m pre-tax it estimated for the year to the end of February at the time of its £145m April rights issue. The company then indicated that turnover was around £3bn, up about 16 per cent on the previous year. Behind this lay an increase in sales volume of *about 8 per cent,* of which 6 per cent was from existing stores. The group also promised a 3.1p final dividend (2.8p) making 4.85p (4.1p) for the year.

The City will be keen to hear the latest news on the group's new store programme following the opening last week of Tesco's 100th superstore in Neasden, London. The company is spending about £200m a year over the next few years on stores costing anything between £8m and £20m each.

The City has steeled itself to expect a slight drop in profits at Metal Box when the company announces results for the year to the end of March on Tuesday. About £63m pre-tax is anticipated, against an adjusted £65.9m for the previous year. The company indicated at the interim stage that it was being held back by difficulties in Africa: in South Africa, the weakness of the rand will have compounded the impact of a severe recession, while in Nigeria the company has suffered from falling demand and import restrictions disrupting production.

However, the group will have made up some of the shortfall with strong performances in the UK following a reorganisation of marketing, and in the U.S. where Metal Box's investment programme has been concentrated. *A dividend increase is* expected, taking the full-year payout from 15p to perhaps 17p.

Anything less than a 17 per cent rise to £34m in pre-tax profits from Guinness for the first half will not be well received in the City, where some estimates stretch as high as £38m. Of this, non-brewing activities may account for about £6m with a handful of Guinness's latest retail and *leisure acquisitions making first* time contributions.

Meanwhile, brewing should show steady underlying growth, as the cost reduction project of the past 18 months starts to pay off in the UK (although in Ireland it might take a little longer). Exports of Guinness to the U.S. and West Germany have been strong in the first half;

Lucy Kellaway
Stefan Wagstyl

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Alpine Soft Drinks	Friday	0.5	1.2	0.8
Amersham International	Monday	1.9	3.1	2.2
Applied Computer Techniques (Hldgs.)	Wednesday	0.16667	0.56667	0.35
Argyll Group	Tuesday	1.75	3.25	2.1
Bassett Foods	Wednesday	1.05	4.55	1.68
Beecham Group	Wednesday	4.8	5.5	5.1
British Bldg. & Engg. Appliances	Tuesday	1.25	1.75	1.35
British Steam Specialties Group	Thursday	1.81818	3.5	2.25
Brown Shipley Holdings	Thursday	3.5	5.0	3.5
Butterfield-Harvey	Thursday	—	—	—
Cullen's Stores	Wednesday	0.7	3.0	—
Dominion International Group	Wednesday	2.2	2.5	2.2
East Midland Allied Press	Tuesday	0.77	1.6	0.82
Electra Investment Trust	Wednesday	1.617	1.848	1.7
Electrocomponents	Monday	1.3	2.7	1.5
Electronic Rentals Group	Monday	1.1667	2.0655	1.1667
Elliot, B.	Thursday	0.1	—	—
F and C Alliance Investment	Monday	0.5	1.1	0.55
Finlay, James	Wednesday	1.66667	2.0	2.0
Gee/Rosen Organisation	Wednesday	—	—	0.5
Geevor Tin Mines	Tuesday	4.8	8.0	4.0
Globe Investment Trust	Tuesday	3.75	5.25	3.75
Gt. Portland Estates	Wednesday	1.0	4.5	1.0
Hazlewood Foods	Monday	4.75	5.75	5.5
Intnl. Signal and Control Group	Thursday†	0.7	1.3	1.0
Locker, Thomas (Holdings)	Tuesday	0.375	0.92	0.375
Metal Box	Tuesday	5.81	9.19	5.1
M and G Second Dual Trust	Wednesday	4.5	4.04	4.9
Northern Securities Trust	Thursday	0.66667	2.0	0.67
Oceana Development Inv. Trust	Wednesday	—	2.0	—
Osborne and Little	Tuesday	—	—	—
Parkdale Holdings	Tuesday	—	0.25	—
Pauls	Thursday	2.5	5.0	2.5
Pilkington Brothers	Wednesday	5.0	8.5	5.0
Premier Consd. Oilfields	Tuesday	—	—	—
Property Partnerships	Friday	3.0	4.5	3.3
Property and Reversionary Investments	Monday	1.0	2.7	1.25
Redland	Wednesday	3.325	6.175	3.575
Regalian Properties	Tuesday	0.75	1.75	0.85
Rowlinson Securities	Wednesday	0.18125	0.46875	0.18125
Schroder Money Funds	Wednesday	—	—	—
Six Hundred Group	Thursday	2.34	2.91	2.34
Slaters Food Products	Wednesday	0.8	1.3	0.9
Sound Diffusion	Wednesday	—	0.348	—
Standard Fireworks	Tuesday	—	5.0	—
Staveley Industries	Thursday	4.5	9.5	4.5
Tex Abrasives	Wednesday	0.75	2.75	—
Tesco	Wednesday	1.5	2.8	1.75
Valor	Wednesday	1.074	2.826	1.235
INTERIM DIVIDENDS				
Ashdown Investment Trust	Thursday	0.76667	2.86667	
Associated Energy Services	Friday	—	1.0	
Carnford Engineering	Thursday	—	1.05	
Carr's Milling Industries	Monday	1.75	3.75	
Chemring	Wednesday	3.5	5.5	
Durban Roodeport Deep	Monday	—	—	
East Rand Proprietary Mines	Monday	—	—	
El Oro Mining and Exploration	Wednesday	2.8	3.5	
Exploration Company	Wednesday	1.4	1.75	
Flexello Castors and Wheels	Friday	1.0	2.0	
French, Thomas	Thursday	1.15	1.725	
Guinness, Arthur and Sons	Tuesday	1.82	4.62	
Herdsman Properties	Monday	2.8	7.0	
London and Clydeside Hldgs.	Tuesday	—	1.3	
Microgen Holdings	Tuesday	1.5	3.5	
Plaxtons (GB)	Tuesday	1.5	3.0	
Raeburn Investment Trust	Wednesday	3.25	8.25	
Sidlaw Group	Thursday	0.6	14.0	
Tomkinsons	Friday	—	5.0	

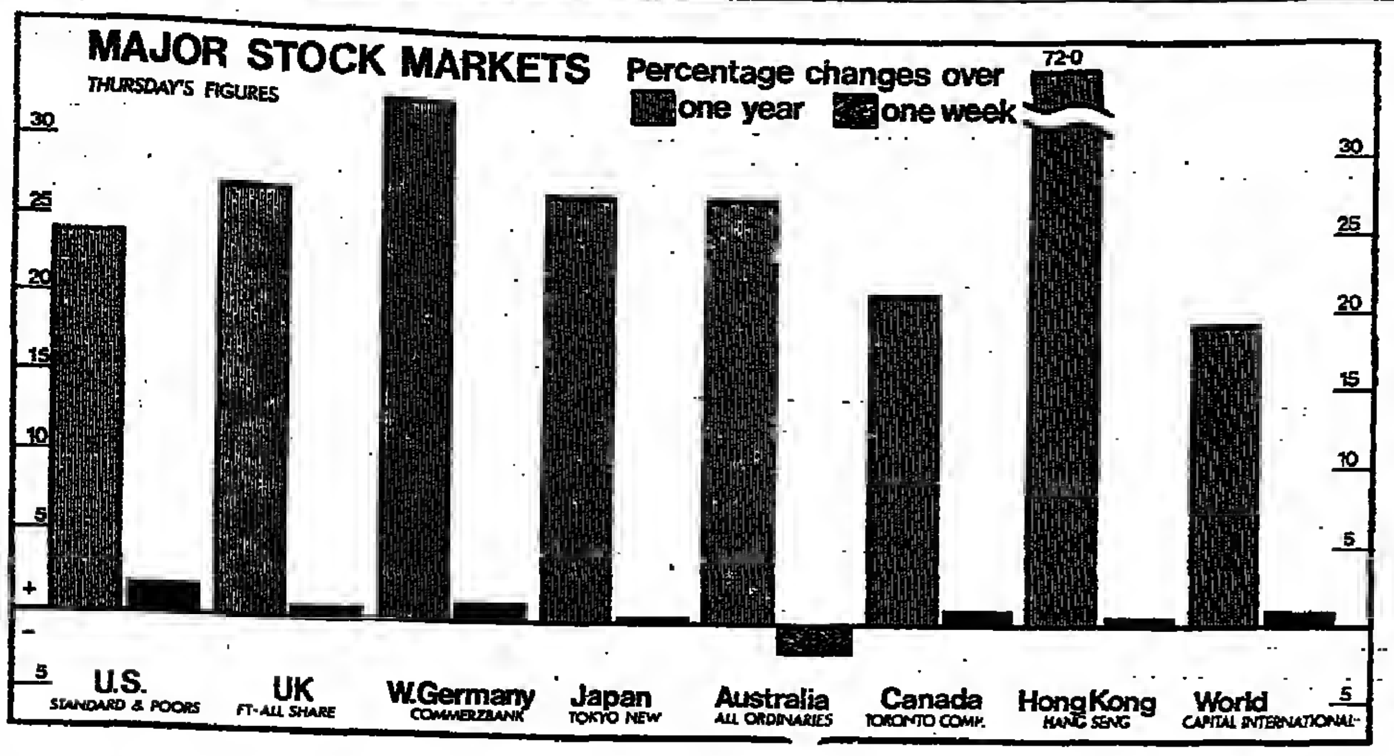
* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Cents per share.

INTEREST RATES: WHAT YOU GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 30%	45%	60%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	7.00	7.12	5.59	4.07	half yearly	1	—	0-7
High interest cheque	9.00	9.31	7.32	5.32	quarterly	1	2,500 min.	0
3-month term	8.38	8.64	6.79	4.95	quarterly	1	2,500-25,000	90
BUILDING SOCIETY†								
Ordinary share	8.25	8.42	6.62	4.81	half yearly	1	1-250,000	0
High interest access	9.75	9.75	7.66	5.57	yearly	1	500 min.	0
90 day	10.75	11.04	8.67	6.31	half yearly	1	500 min.	90
Premium	10.60	11.03	8.67	6.30	quarterly	1	10,000 min.	90
NATIONAL SAVINGS								
Investment account	12.75	8.93	7.01	5.10	yearly	2	5-50,000	30
Income bonds	13.25	9.86	7.75	5.63	monthly	2	2,000-50,000	90
30th issue‡	8.85	8.85	8.85	8.85	not applicable	3	25-5,000	8
Yearly plan	9.28	9.28	9.28	9.28	not applicable	3	20-100/month	14
General extension	9.51	9.51	9.51	9.51	yearly	3	—	8
MONEY MARKET ACCOUNTS								
Money Market Trust	9.54	9.77	7.67	5.58	half yearly	1	2,500 min.	7
Schroder Wagg	9.04	9.42	7.40	5.38	monthly	1	2,500 min.	0
Provincial Trust	9.53	9.96	7.82	5.69	monthly	1	1,000 min.	0
BRITISH GOVERNMENT STOCKS§								
10% Treasury 1987	11.47	8.42	6.90	5.38	half yearly	4	—	0
11% Exchequer 1990	11.33	7.79	6.04	4.28	half yearly	4	—	0
10.25% Exchequer 1995	11.23	7.85	6.18	4.51	half yearly	4	—	0
3% Treasury 1987	8.52	7.60	7.14	6.68	half yearly	4	—	0
3% Treasury 1989	9.34	8.26	7.72	7.18	half yearly	4	—	0
Index-linked 1988¶	9.57	8.98	8.67	8.37	half yearly	2/4	—	0

* Lloyds Bank. † Halifax. ‡ Held for five years. § Source: Phillips and Drew. ¶ Assumes 5 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

هكذا من الأصل



Zurich

Records tumble as business booms

SWITZERLAND'S capital market is booming. Turnover on the Zurich stock exchange, up 35 per cent in the first four months of this year, has continued at record levels. This week, observers were talking of "huge" volumes of business. The Swiss Bank Corporation share index is only a few points below the all-time peak it reached in May—and tending upward—while bond issues are still being snapped up despite falling coupons.

In the equities sector, the first half of 1985 will break all records for rights issues. One company after another has been taking advantage of the favourable market conditions to raise money, though without charging excessive premiums in the process.

Investors have been only too keen to expand their portfolios with these new shares. The overall levels of corporate profits were noticeably higher in 1984 and obviously improving further this year, so yields are generally worthwhile at a time of flagging inflation and interest rates.

The flow of new equities into the market is likely to continue, not least in the form of participation certificates. These are very popular even though they carry no voting rights: a current issue of certificates on the over-the-counter market by the high-technology machine-tool company Agie was considered a sell-out even before subscriptions opened.

Participation certificates also are the subject of a new-style international offer, by which the Nestle group intends to raise no less than SwFr 360m. A total of 300,000 certificates will be sold by a consortium headed by Credit Suisse, First Boston, Swiss Bank Corporation International and UBS (Securities) at Thursday's stock exchange price of SwFr 1,245.

Zurich, the Continent's leading bourse, is also listing a growing number of foreign shares. This year, it is the Americans in particular who are introducing their ordinary shares to this and other Swiss exchanges. Since January, Chevron, Bellsouth, Campbell Soup, Hercules and R. J. Reynolds have taken a Zurich listing, while Louisiana Land is due on June 19. If this development continues, there will soon for the first time be more foreign than Swiss shares traded there.

The future of the Zurich exchange depends not least on the outcome of a local referendum tomorrow. Voters are to decide on whether to grant a credit of SwFr 24m for a new building to replace the 55-year-old premises that, according to bourse vice-chairman Richard Schait, have become "totally inadequate."

The Geneva and Basle bourses already are set to re-locate late in 1985 and early 1986, respectively. Together with Zurich, they plan to introduce traded share-index and bond-index options in about two years. While a joint delegation to the Chicago Board of Trade came to the conclusion last December that the futures business was "more complicated than we had thought," further traded-option and financial-futures operations are foreseen for later.

In the bond market, borrowers are enjoying a field day. In the first four months, a total of SwFr 4.28bn of new money was raised in foreign Swiss-franc public issues and SwFr 2.53bn by Swiss borrowers. Business has since accelerated.

Thus, total domestic issues on the May/June calendar amounted to SwFr 2.08bn, or 17 per cent up on the same period last year. Recent floats included a single massive—and successful—private-sector issue by Nestle last month, with the placing of SwFr 300m worth of eight-year warrant bonds at 3.25 per cent.

In the field of foreign borrowings, there will doubtless also be individual transactions of unprecedented size now that the Swiss National Bank has lifted the SwFr 200m ceiling. The bank says in its latest monthly report that this should have no marked influence on the market as a whole other than, possibly, a certain shift from medium-term bonds to long-term bonds: the notes, which had not been subjected to a maximum, overlap with bonds in the category of eight-year maturities. However, it does appear that the former ceiling on foreign Swiss-franc bond issues had led some first-class borrowers to go outside Switzerland completely, so that some custom could well be won from abroad.

The notes market continues to be substantially larger than that for bonds. In the first quarter, notes' issues by foreign borrowers totalled SwFr 5.6bn, compared with a corresponding bond volume of SwFr 3.9bn. Apart from any loss of business to the long-term sector, these so-called "private placements"—the name has been made obsolete by successive liberalisation measures—could in future be subject to rather more comprehensive reporting regulations. It has long been a complaint on the part of the authorities and the investing public that too little information is distributed on the notes' borrowers, many of them obscure names from Japan.

In this connection, notes could could be listed on stock exchanges once the Zurich government agrees to a bourse proposal to increase from SwFr 5,000 to SwFr 50,000 the maximum lot value for quoted stock. The question would then arise as to the publication of a prospectus and the liability of issuing banks for the information contained. The banks would like to see any listed notes freed from the same sort of prospectus rules as apply to bonds.

John Wicks

New York

Week of new peaks

U.S. SHARE prices marched ahead confidently for most of this week against the backdrop of a further strong showing in the credit markets, where the 2½-month-old rally continued unabated until near the end of the week.

The Dow Jones Industrial Average, which began the month of May at 1,242.05, has been rising steadily and topped out the month, a week ago, at a new peak of 1,315.41. On Monday share prices lost a little ground, but moved ahead again on Tuesday and by Wednesday were hitting new peaks in heavy trading, with daily volume regularly topping 100m.

Compared with previous market moves, the blue chip stocks in the Dow Jones Industrial Average, have not been left behind in this week's action. When the broader-based market indices—such as the Standard and Poor's 500 and the New York Stock Exchange Composite Index—began to hit new peaks for the first time in over a fortnight, the Dow was not far behind.

Bellwether stocks like General Motors, which have been shunned by the market in recent weeks, have put up a good showing in recent days and GM shares had risen by more than $3 to $74½ by Thursday evening. Wall Street responded enthusiastically to its $5bn purchase of Hughes Aircraft on Wednesday. GM is paying $2.7bn in cash and issuing 50m new GM Class H shares. Investors who bought GM's Class E stock, which it issued after it bought EDS Systems for $2.5bn last October, have more than doubled their money on this special class of shares.

Food shares have also performed strongly this week in the wake of R. J. Reynolds' $4.9bn bid for Nabisco, one of the biggest U.S. packaged foods groups. The $85 per share offered by Reynolds was $5 below market expectations and Nabisco shares, which had been trading at $82¾ ahead of the deal, have fallen by more than a point. However, shares in R. J. Reynolds, which has been trying hard to diversify out of tobacco, have risen by over $4 to $78½ during the past week.
NO 14—8/8½

Transportation stocks have been strong pushing the sector average to a new peak, and many analysts regard the record highs of both the Dow Industrial and the Transportation indices as a reassuring sign that a bull market is alive and well.

Of course, the buoyancy of U.S. share prices has not been reflected in every sector. High-tech shares have come in for another battering this week. Apple Computer shares dropped $1½ to $16 following news of a major reorganisation aimed at cutting costs. The shares recovered later but by Thursday were still down on the week, at $17 and a far cry from the $63 at which they were trading less than two years ago.

Wang Laboratories, another former darling of the high tech industry, upset its fans by announcing that it expected to report its first loss in more than a decade when it releases its second quarter results. It blames lower than expected levels of business for an inventory buildup and says that it is cutting its workforce by 5 per cent and delaying wage increases. Wang B shares tumbled by $1¼ to $15¾.

The next day, Control Data, which had already announced a first quarter loss and substantial redundancies in April, announced that it was to close one of its plants and temporarily shut other facilities in a move which reflects the broadening slump in the high technology sector. Control Data shares slipped $[illegible] to $[illegible] on the news.

In the short term Wall Street's rally is being fuelled by the decline in U.S. interest rates. On Wednesday, three-month U.S. Treasury Bill rates, which less than three months ago were trading above 8.5 per cent, slipped below 7 per cent temporarily. Long Bond yields have dropped from close to 12 per cent to 10.3 per cent and investors who had bought long-term government bonds in mid-March would have seen the value of their paper rise by [illegible] per cent by the middle of this week. By contrast the stock market has risen by [illegible] per cent over the same period.

Wall Street believes that the weak signals coming out of the economy will probably force the U.S. Fed to cut its discount rate again in an effort to [illegible] the flagging manufacturing sector.

This week's news from the U.S. car makers and retail stores points up the "softness" in the underlying economy. But yesterday's May employment figures were better than some had expected and this has dampened speculation of an imminent Fed discount rate cut. Next week's "flash" Gross National Product figures for the second quarter will be important.

William Hall

Mining

Cheers—but only two

NEWS of the go-ahead for a major new gold mine generally rates three cheers, but only two were heard this week when the Consolidated Gold Fields group proudly announced that it was to develop the Leeudoorn property as an extension of its high grade underground Kloof mine in South Africa's West Rand.

Leeudoorn is expected to reach the production stage late in 1990. By about end-1992 it should be milling gold ore at the rate of 100,000 tonnes a month and be making first profits. The cost of reaching this stage will be some R453m in today's money (£178.7m).

Kloof will not have to find anything like this. The bulk of the money—some R333m—will effectively come from tax credits available to Kloof. The rest will be provided in the shape of a loan of R119.9m from the owners of the mineral rights, basically Gold Fields of South Africa.

The loan will be serviced by debentures issued by Kloof which will be convertible into 2.73m Kloof shares when Leeudoorn becomes self sufficient at end-1992, or thereabouts. Kloof is also paying for the mineral rights by an issue of 35,000 shares.

This share issue together with the debenture conversion will not mean any major increase in the Kloof issued capital which is currently 30.2m shares of R1 each. In due course it is intended to make the shares more marketable by a four-for-one split into shares of 25 cents.

Kloof is thus getting, effectively, a new mine containing some 39m tonnes of ore at relatively little cost. In order to make good profits from the acquisition, however, Kloof intends to expand Leeudoorn's monthly ore output to 120,000 tonnes by 1993 and to an eventual 180,000 tonnes by 2004.

The cost of this expansion from break-even to, hopefully, good profits is put at around R550m and will be financed by the newcomer's earnings in the normal way; such costs can be used as an offset to tax under present South African rules.

Leeudoorn will eventually be milling the same amount of ore as Kloof is doing at its existing mine. Furthermore, the newcomer is believed to contain considerably more ore than the presently estimated tonnage. In all, the deal appears to be a very good one for Kloof. So why only two cheers?

The answer is that Kloof has been rated, quite rightly, in the sharemarket as a high grade and long life mine. It recovers some 15 grammes of gold from each tonne of ore milled whereas Leeudoorn expects to get only about 6.5 grammes.

Shareholders of Kloof are thus gaining increased long term production potential, but this in a much lower grade mine. As far as share ratings are concerned in these days of rising costs and a static bullion price, high gold grades are regarded as of more importance than extensions of lower grade production capacity.

But any sharp increase in the gold price over the years ahead would change that thinking.

You may say—as I have—that when it ventures outside South Africa the mighty Anglo American Corporation tends to come unstuck. There is no denying, however, that the big mining, finance and industrial group shines on its home ground.

Despite the South African recession, which weighs heavily on Anglo's industrial interests, Anglo has turned in record earnings of R[illegible], or [illegible] cents a share, for the year to March 31 compared with R810.1m in the previous 12 months.

Of course, the weakness of the rand has played a major role in this performance by boosting the revenue from mineral exports, but it would be churlish to leave it at that.

Anglo has reaped the benefits of diversification and patience, especially with its Amcoal giant which after a short breather in 1984-85 has resumed its rising earnings trend and expects further growth in the year to next March.

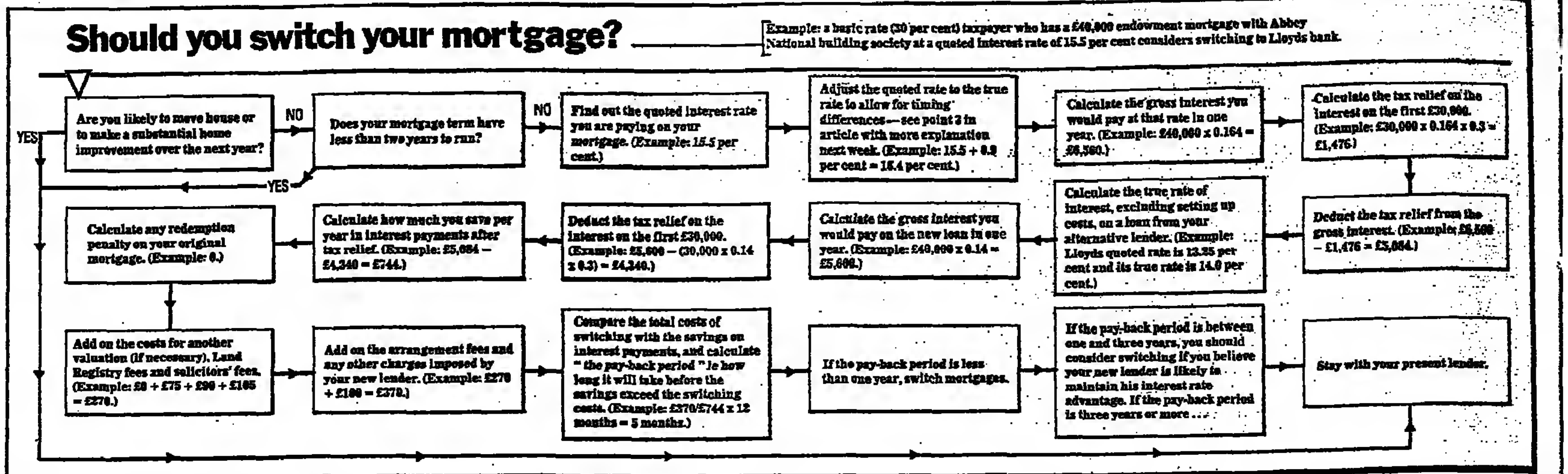
Anglo, itself, has shown its confidence in current prospects by raising the dividend rate to [illegible] cents against 120 cents.

○ Australia proposes to remove the tax-free status of the country's gold mines as from July next year. Although not entirely unexpected by most realistic observers, the news has aroused the inevitable anguish in the sharemarket.

This may well have been overdone: while South Africa's gold mines battle with political and labour cost uncertainties, the Australians (and Canadians) are still peacefully earning a good living.

Kenneth Marston

• FINANCE & THE FAMILY •



Shifting lenders can make borrowing cheaper

FEW PEOPLE would turn up their noses at the chance to save between £300 and £750 a year on their gas, electricity or telephone bills if all they had to do was go to a different supplier.

But when it comes to the complexities of mortgage finance, few home owners are prepared to switch lenders to make savings of this scale on their interest payments. Perhaps most have been brought up in the belief, cultivated by the building society managers, that they should be grateful for receiving a loan at all.

But the divergence in the interest rates being paid by owner occupiers on their mortgages has rarely been greater than at present. And the building societies' reluctance to poach borrowers from a fellow society—a hangover of the days of the interest rata cartel —is being eroded in the face of outside and more aggressive competition.

Those prepared to hunt around—and to accept various restrictions—can find interest rates of as low as 11.50 per cent. Nobody at present should be paying more than about 13.75 per cent on their home loans. But there are some unfortunate borrowers paying rates as high as 18 per cent.

The most common interest rate on mortgages of £30,000 to £60,000 is at present 15.0 per cent, 1.5 percentage points more than you need to pay. On a £30,000 mortgage, the maximum on which you are granted full interest tax relief, a saving of 1.5 percentage points on the interest rate is worth £315 a year to a basic rate taxpayer. For a £60,000 mortgage, the saving on 1.5 percentage points is worth £765 to a basic rate taxpayer and £675 a year to a 50 per cent taxpayer.

Perhaps the least justifiable practice is the refusal of most building societies which charge a higher interest rate on larger loans to lower their rate if you pay off part of the loan—and at today's interest rates it is generally worth reducing your loan to £30,000, the interest tax relief limit. In those circumstances, the case for switching your loan elsewhere is overwhelming.

But there are several problems to be overcome if you want to redeem your mortgage with one borrower and replace it with another. Sir Gordon Borrie, director general of the Office of Fair Trading, last November complained publicly about "the unusual contractual right that a building society has to put up its rate to borrowers whenever it likes whereas it is not easy for an existing borrower to redeem the loan and take his or her mortgage elsewhere."

He added: "Perhaps the new building society Act will explicitly allow this to happen without penalty."

These are the major obstacles and costs:

● Your lender may charge you a redemption fee for paying off your mortgage early. This practice, which was widespread amongst the building societies 20 years ago, is, however, becoming rare. None of the largest 16 building societies in the "first division" charges a redemption fee. Nor do the banks.

Among the smaller societies, the Leamington Spa, whose interest rates are currently 15.25 to 15.5 per cent, is one of the more substantial lenders to impose a fee. Its conditions are typical of the smaller societies — three months' interest with a waiver for mortgages which have lasted for more than five years.

● If you switch your mortgage at the wrong tima in the month, you may find yourself paying interest for up to four weeks on both the mortgage you have redeemed and on your new mortgage.

● A decreasing number of lenders, particularly building societies, charge more for "re-mortgages" than for new mortgages. Another complication is that the flat rate of interest normally quoted may differ from the true rate because of the frequency with which the interest has to be paid. For example, Midland Bank borrowers pay interest only quarterly instead of monthly, which knocks off about 0.25 percentage points from their rate. So be careful when making comparisons. This subject will be discussed in detail next week.

● Many lenders, particularly the banks which offer among the most competitive re-mortgage rates, charge an arrangement fee when a mortgage is taken out. This is usually around £100, although the United Bank of Kuwait, whose interest rate is one of the lowest at present for large mortgages, charges 0.25 per cent of the mortgage—£150 for a £60,000 mortgage.

● To effect the switch, you will have to pay Land Registry fees of £60 to £100 and solicitors' fees. These will probably be another £80 to £100 although, in view of the small amount of work involved, your own solicitors ought to be willing to do it for less.

● Your lender may require a fresh valuation of your property which will add on probably another £60 to £75. The United Bank of Kuwait chargea 0.1 per cent of the value of the property.

If your last valuation was carried out less than one year (sometimes three yeara) ago by a valuer acceptable to your new lender, he may be willing to rely on that. If your mortgage is a relatively small proportion—say under 70 per cent—of the value of your property when last assessed, your new lender should be more lenient.

● The major clearing banks and the building societies sometimes impose restrictions on what you can use the loan for. This will apply particularly if you want to consolidate, for example, a personal loan, a hire purchase agreement and a mortgage from a more expensive lender.

You are then likely to be asked whether you need all the money for home purchase or improvements or whether you intend spending part of it on consumer items such as a car or holiday. If the latter, your clearing bank will probably tell you to take a personal loan and not a mortgage—and charge you an extra 7 or 8 per centage points of interest for tha privilege.

If pressed to justify this practice, they will probably say something about Bank of England guidelines and monetary policy, although the higher interest rates (and profit margins) on personal loans is a more likely reason.

If you are subjected to this treatment or start to feel irritated by the prying into your personal finances, you don't need to hang around. There are several other lenders, particularly among the foreign banks (see below), who will grant you a loan on the security of your home without demanding to know how you plan to use the money.

Note that if you are moving home, you are entitled to—and should take a large enough loan to receive—tax relief on all the interest on a mortgage of up to £30,000, regardless of whether you need the loan, or what you use it for.

● The biggest worry of all is that you may switch to a lender whose interest rates at present are low only to find that within a few months its rates have been pushed up above even those of your previous lender. This danger was highlighted in the first three months of the year. At the start of the year, the cheapest loans were generally to be found with tha banks. In fact, a U.S. bank, Chemical Bank, was recommended on these pages last October as the supplier of a re-mortgage.

When wholesale money market interest rates shot up by 4.5 percentage points in January, the banks responded swiftly whereas the building societies were slower to move. For example, Chemical Bank's rate was raised from 12 to 14.5 per cent in February. After the building societies raised their rates to between 14 and 15.5 per cent in April and May, Chemical Bank cut its rate—just 10 days ago—to 13.75 per cent.

The lesson seems to be that when interests rates are rising rapidly, you will suffer an increase in your mortgage costs more quickly at the hands of a bank. Otherwise they are likely to have the edge over the building societies. Certainly, the two banks recommended—the United Bank of Kuwait and Chemical Bank—have usually charged rates near the bottom end of the scale since they launched their mortgage schemes in 1984 and 1982 respectively.

The adjacent flow chart shows under what circumstances you should switch to a different lender.

Clive Wolman

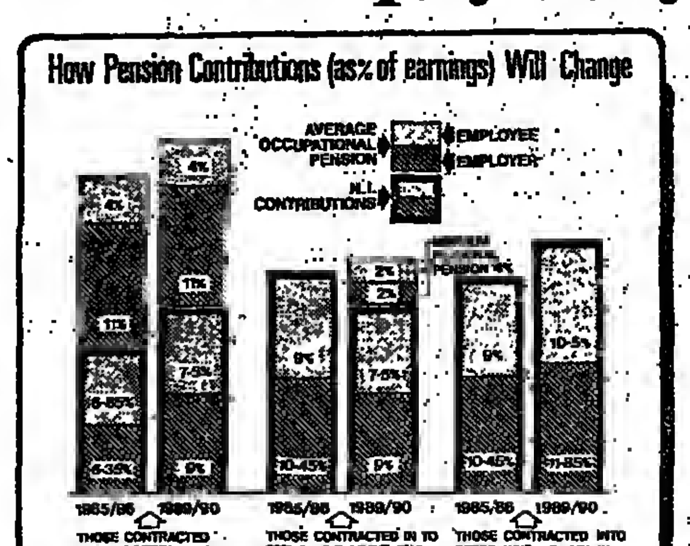
The phasing out of Serps . . . **Michael Prowse** reports

The shift from pay-as-you-go

ONE OF the least popular consequences of Norman Fowler's Green Paper on the social security system will be a steep rise in pension contributions for all classes of workers over the next few years.

The rise in contributions results from the planned phasing out of the State Earnings Related Pension Scheme (Serps) and the shift from pay-as-you-go to funded provision of pensions.

The chart shows how private and National Insurance pension contributions are set to rise for three different sets of workers: those presently contracted-out of Serps; those contracted-in to Serps who will be forced to leave the state scheme (men under 50 and women under 45); and those contracted-in to Serps who may remain in the scheme (those within 15 years of retirement).



The Government intends to phase the changes over three years, starting in the financial year 1987-88.

At present, the total employer and employee National Insurance rate for those contracted-in to Serps is 19.45 per cent of earnings. For those contracted-out, there is a rebate of 6.25 per cent.

The rebata is to be phased out in three stages so that by 1989-90 a uniform NI rate of 16.5 per cent would apply to all workers except those currently close to retirement who remain in Serps.

The 16.5 per cent NI rate is calculated as the rate necessary to keep the National Insurance fund, which is used to pay current benefits, in balance.

In the chart, it is assumed that future increases in contributions will be split equally between employers and employees, although this need not be the case.

Private employer and employee pension contributions for the average occupational scheme contracted-out of Serps are about 15 per cent of earnings. National Insurance contributions ara another 13.2 per cent.

Under the Government's plans, NI contributions will rise by another three percentage points by 1989/90, resulting in total private and state contributions of about 31.5 per cent of earnings.

Some schemes that presently are over-funded may offset the rise in state contributions by cutting their funding rates.

Those contracted-in to Serps who will have to leave the state scheme will enjoy a three percentage point reduction in NI contributions to the new 16.5 per cent level.

This will be more than offset by the new requirement for employers and employees together to invest at least 4 per cent of earnings in a personal or occupational pension.

Total pension contributions for those who are obliged to leave Serps will thus rise from 19.45 per cent of earnings to a minimum of 20.5 per cent.

Older workers who remain in Serps will also have to pay more. The Government intends to increase their employer and employee NI contribution rates by a total of 1 per cent a yaar starting in 1987/88, implying a three percentage point increase by 1989/90. The rise reflects the Government's view that the future cost of Serps has been underestimated.

The all-round increase in pension contributions might be unpopular because it will not be linked to any increase in future benefits. Indeed, those coming out of Serps may end up with much poorer pensions despite higher contributions.

To the extent that NI contributions are regarded as a form of taxation, the planned increase also will compromise the Chancellor's plans to reduce the overall burden of taxation.

Onus now on employees

NORMAN FOWLER'S Green Paper will lead to big changes in the way employees provide for their pensions. At the very least, many employees will need to think and worry much more about how to invest their savings for retirement. Among the changes:

● Women and men will henceforth get equal treatment. New occupational or portable pension contracts will have to offer the same benefits to both sexea.

At present, the same cash sums buy smaller pensions for women because annuity rates are lower reflecting women's longer life expectancy. In future, annuity rates will have to be the same and 100 years of actuarial practice will be set aside.

● Fixed and different retirement ages for men and women are likely to disappear. The Government wants to encourage greater flexibility—to allow personal circumstances to dictate the time of retirement. It is promoting the idea of a "decade of retirement" between 60 and 70. Those who opt to work longer would be able to amass larger pensions.

● The fledgling personalised pensions industry is likely to expand rapidly partly at the expense of company occupational schemes. This will represent a shift from "defined benefit" pensions, usually a proportion of final salaries, to "defined contribution" or "money purchase" pensions, where the ultimate benefits depend on investment performance and are therefore uncertain.

Few of the companies employing workers currently in Serps are likely to set up traditional occupational schemes. The vast majority will opt to make contributions into employees' portable pensions. This way they will avoid the open-ended costs associated with schemes which offer to pay employees a proportion of their final salaries.

A further factor originates from Mr Fowler's announcement that all employees would have the right to set up personalised pensions. The Green Paper goes much further by stipulating that employers will be compelled to contribute at least 2 per cent of earnings into such schemes.

Two per cent of earnings may not sound much. Most employees in good company schemes would be advised to stay put. But the principle is of great importance. The Government has decided that individuals should be able to decide the sort of pensions they want and that, to a limited extent, companies will have to fall in with the wishes of their employees. Pressure is bound to build up for companies to contribute more than 2 per cent of earnings into employees' portable pensiona.

Fowler's view is that as wide a range of institutions as possible should be able to market portable pensiona. The Green Paper lists banks, building societies, friendly societies, unit trusts as well as insurance companies and employers' own schemes.

Will those who rely on portable pensions end up with adequate benefits in old age?

If most of those leaving Serps invest only the required minimum of 4 per cent of earnings (of which 2 per cent would come from employers) in a personalised pension, they are likely to end up with benefits far inferior to those offered by most final salary occupational schemes. As the chart above shows, the average contributions into occupational schemes are about 15 per cent of earnings—11 per cent of this is put up by employers.

Effective regulation of the sale of portable pensions will be essential. Individuals will have difficulty assessing the relative merits of different pension packagea. The Government could help by requiring some standardisation in presentation. Salesmen ought, for example, to be required to explain the impact of various future inflation ratea on their pension promises. Commission rates ought to be transparent—not wrapped up in the complex fine print of contracts—and closely monitored.

Middle class comfort

MIDDLE CLASS families emerge almost unscathed from Norman Fowler's review of the welfare state, the most thorough since the Beveridge Report of 1942.

Rumours were once flying that the Government would limit benefits to the really poor —that it would take seriously arguments for the better targeting of taxpayers' money.

In the event, perhaps in the light of the furore caused by last year's abortive attempt to cut student grants for middle class children and the Tory Party's poor showing in recent opinion polls, Norman Fowler decided to play safe.

There is to be no means testing of child benefit (£6.85 a week paid as of right to the mothers of 12m children) nor of the basic state pension (£34.80 a week for single people with full contribution records).

The only squeeze on middle class budgets will come from the three percentage point increase in national insurance contributions to be phased in from 1987-88. But part of the strain will be borne by employers and the rest may be offset by future income tax cuts.

The planned rationalisation of income-related benefits may however affect some families who could find themselves forking out for both their student children and for aged parents.

Norman Fowler hopes to stop students claiming social security benefits during their vacations—he thinks the grant plus parental support ought to be sufficient.

And many old people may be affected by the proposed tightening up of housing benefit which is received by one in three British families. But the magnitude of the effect will depend on the new income support scales for the old which have yet to be decided.

Finally, middle class families will lose out from the abolition of universal maternity and death grants—payments in future, where necessary, will come out of the social fund set up to deal with emergencies. But inflation has so eroded the value of these benefits—the maternity grant, for example, is only £25—that they will not be missed.

Investments: growing your own

A 'complete novice' behaves like an expert

YOU CAN plot your own investment strategy as well as any financial expert, if you sit down and do your homework.

That was what Margaret Lumsden decided when she set about constructing a portfolio for her 84 year old aunt.

Her aunt Ann Friar has recently sold her house to move in with her elder sister. What should be done with the £45,000 of capital she now had to invest?

"I started by asking a bank for advice on this," Mrs Lumsden said, "and I thought their advice was so pedestrian I would try for myself."

The first step was to set out the requirements. Her aunt's pension is adequate for her present needs, so income was not a high priority.

The main objective was capital growth to ensure that there is enough money for the future, in case she or her sister should want to move into sheltered housing or need nursing care.

Miss Friar is in excellent health, so Mrs Lumsden decided that there would probably be no "sudden and urgent calls for cash" in the immediate future.

She decided to put £10,000 in a building society to give security of capital and liquidity in case money was needed at short notice. The Middleton Building Society's instant access account, currently paying 10.6 per cent, was her choice. National Savings or a guaranteed income bond would offer a higher return if interest rates started to fall, she decided.

The remaining £35,000 should go into unit trusts, Mrs Lumsden felt, because the spread of investments gives the best and safest prospect of capital growth for the private investor.

Which fund to choose, from a selection of over 700? Lumsden bought a copy of Money Management magazine, and set about mastering its statistics on unit trust investment performance.

"I tended to look over five years, with the emphasis on the last three," sha said. "I thought what happened seven and ten years ago was not really relevant."

She then telephoned all the funds she had selected to check on their investment policies, and on the continuity of the investment managers. Fund managers who have mostly got it right in tha past are likely to continue to do so in the future, she thought.

These are the funds sha came up with:

● Prolific High Income: "Their fund manager has been with them a long time and ia likely to stay."

● Pearl Income: "Their investment director is in his mid-mid-50s and has baen there for years."

● Vanguard Special iStuations: "Might be regarded as risky," in fact, stockbroker Capel-Cure Myers, which runs the fund, asked Mrs Lumsden if she was sure it was the right place for an elderly aunt—"but a man who bas got it right for the past five years is worth backing."

● Barrington European: "Schroder European are a bigger fund, better known, but the Barrington track record looks better."

● GT International: "It is safer to be in a managed fund for overseas investment unless you are prepared to work very hard at understanding the markets for yourself. hTis fund bas an aggressive manager of 35 and a good record."

● M & G Amarican and General: "The M & G people warn that they cannot hope to do so well in future"—they gained 43 per cent in the yaar to April 1—"but I believe good investors will keep out of trouble and that America will bounce back."

● Framlington Capital: "Has an excellent record of capital growth and the same manager (now 55) from the beginning." areeCswaspoard TH TH TH T

At this stage Mrs Lumsden contacted the FT for reassurance that she was not on entirely the wrong track with her proposals. "They may make nonsense to an informed and sophisticated eye" sha wrote.

Far from it. For a self-proclaimed "complete novice" Mrs Lumsden came up with a portfolio that was very close to character to those constructed by the financial planners we contacted with the sams brief.

John Morton, investment director of the London-based firm of Fraser Henderson, suggested that not all of the £10,000 allotted to security and liquidity should go into the building society.

"With some City commentators expecting a fall in interest rates towards the autumn, she should consider putting some of these funds into gilts," he said. "A part of the £10,000 invested in the Britannia Jersey Gilt Fund will lock in a yield of 12.85 per cent, and offer the possibility of capital growth if interest rates fall."

Morton also felt there should be some adjustments to the gaographical spread of unit trusts Mrs Lumsden selected. He noted that she had a direct exposure to the U.S. through the M & G fund, but nothing in Japan except through the GT International fund.

The UK element was high—around 50 per cent—and he recommended reducing this amount in favour of Fidelity Japan. And she would be wise to pick a hedged fund when looking at America.

"The changes we recommend are mainly to protect the portfolio against possible future currency and interest rate fluctuations," Morton said.

Clive Scott-Hopkins, of the Windsor firm Towry Law, had two reservations: with 22 per cent of the portfolio in the building society and a total yield of 5.65 per cent, both liquidity and income were too high, he felt.

Bearing in mind that "sudden and urgent calls for cash" are unlikely, he suggested putting only £5,000 in a building society, and aiming for an income of around 4.7 per cent.

His own unit trust selections included Allied Asset Value Trust, M & G American and General, Perpetual Far Eastern Growth, and Mercury European Fund.

Despite the agreement of Scott-Hopkins and Morton that some money should go directly into a Japanese or Far Eastern Fund, Mrs Lumsden found that the experts' advice pushed her back towards her original belief: "It is safer to be in a managed fund for overseas investment."

In fact, she decided not to invest directly in Europesn and American funds, but to put her entire overseas investment into the GT International fund she picked earlier.

● The names have been changed to protect her privacy.

George Graham

Household insurance

Don't get caught in the never-never trap

HOUSEHOLD insurance can be a tricky subject even now that insurers have started using plain English policies. One particularly knotty area which recently came under the Ombudsman's scrutiny involved the borrowing of goods between friends.

To claim successfully under an insurance policy you must show that you have suffered financial loss, that you have an "insurable interest."

Taking out a policy of insurance or presenting a claim where you do not have an insurable interest."

Taking out a policy of insurance or presenting a claim where you do not have an insurable interest may result in your claim subsequently being rejected by the insurers. The particular case that the Insurance Ombudsman dealt with involved a policyholder with a standard contents policy. He returned home one day and found that his house had been broken into and all his valuables and furniture including a colour television set, stolen.

The television set however belonged not to the policyholder but to a friend who had lent it to him and who had not taken out his own insurance for it. When the policyholder who suffered the theft put in a claim form he was told by his insurance company that they would meet the claim for all of his losses except the television set.

They said that he did not own the television set and that his policy covered only items which belonged to him, or for which he was legally responsible. In other words, moral responsibility for looking after the television, which was the only obligation the policyholder had towards his friend, was not sufficient to give him an insurable interest in the property.

The policyholder argued that as the set was lent to him and he was enjoying the benefit of it, he was legally obliged to replace it. This, he said, was sufficient to give him an insurable interest and allow him to make a claim.

The Ombudsman, however, decided that the policyholder was no more than a borrower. Whatever embarrassment the policyholder might have felt towards his friend, he failed to prove that he had suffered any financial loss in respect of the stolen television set. In other words he had no insurable interest in it.

It should be be borne in mind that the concept of insurable interest is relevant in many sorts of situations.

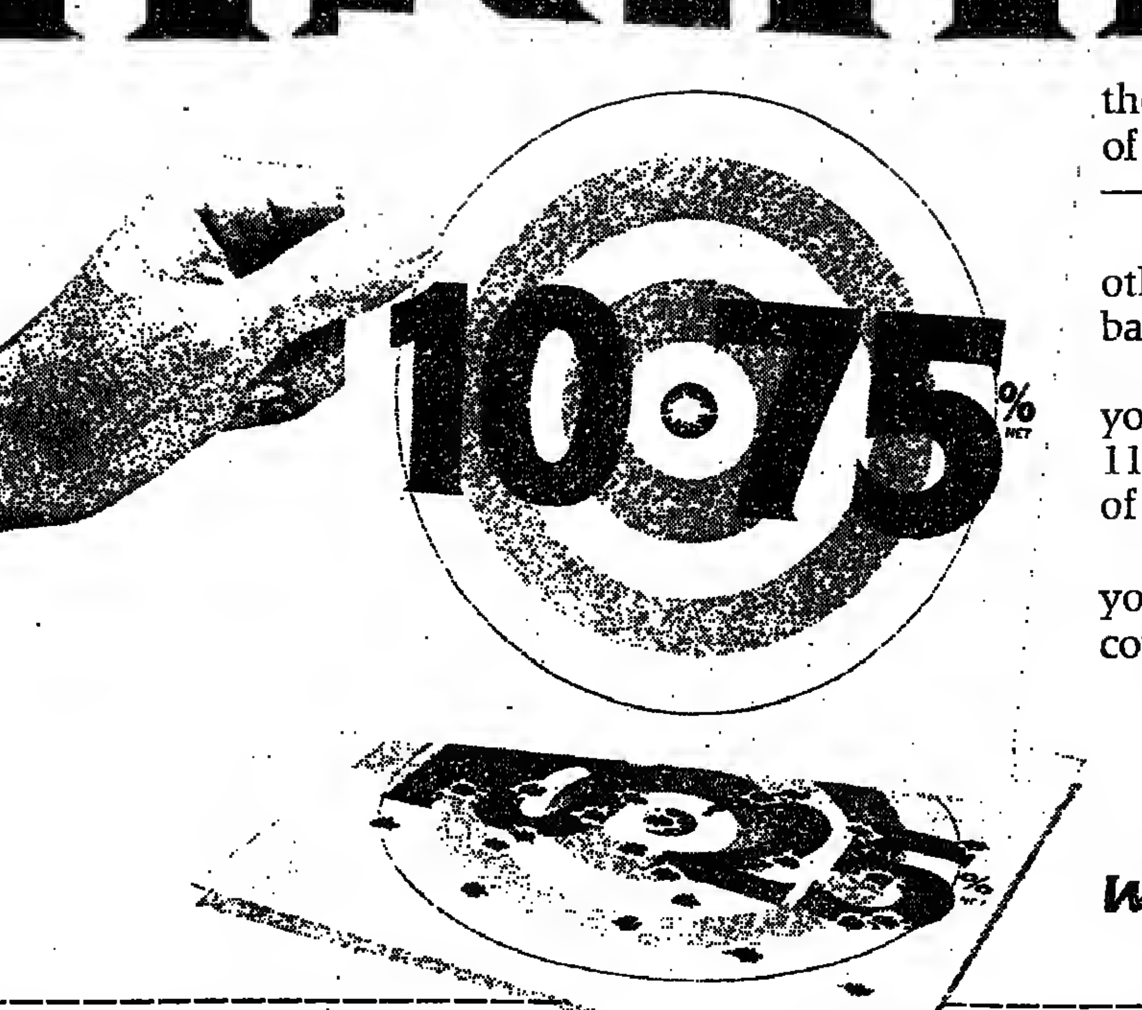
Take for example the situation where a child borrows a musical instrument from his or her school to practise at home. If the instrument was not insured by the school outside its own premises and it was stolen or damaged by fire the parents would not be able to claim for it under their normal household policy sinec they would have no insurable interest in it. While the school would have suffered a financial loss, the parents themselves would not have done so.

Nearly all of the problems concerning "insurable interest" arise in the context of household contents policies where the person bringing the claim has no interest in the goods that have been lost or stolen. But the problem in the example of the television set would have been avoided had the policyholder put the insurance company on notice that he was going to borrow the television set or had the friend taken out insurance himself. The same applies to the musical instrument where the school could have taken out sufficient all risks cover or alternatively, the parents could have notified their own insurers.

It is perfectly possibla to ring up an insurance company and ask them to provide temporary or permanent cover for a specified item. In fact the insurance company is generally unlikely to charge any additional premium provided the amounts involved are fairly small. So if you borrow an item of value (such as a television set, video recorder or silver cutlery set) from a friend or relative, notify your insurance company accordingly.

However, if you have hired rather than borrowed a television set or a video recorder, the position is quite different. The contract of hire between you and the rental company makes you expressly liable to pay the rental company if the television or video is stolen. Fixed with such a legal liability to replaca the stolen item you could succeed in your claim as this liability confers on you the vital added ingredient of an insurabla interest.

J. V. Sandelson



Briefcase

Renting at home while working abroad

I have recently completed the purchase of a "starter" house for my daughter who is single and 26 years of age and working in a nursing capacity in Saudi Arabia. She will be in Saudi for approximately another year and it is our intention to let the house on a rented basis to assist with my daughter's monthly mortgage repayments. However, as her salary is not subject to income tax while she is working overseas, it is not certain whether or not she is entitled to tax relief on mortgage interest? I have received the MIRAS form from the Building Society to complete but am not sure whether to return it or not. As I have consulted several colleagues and friends who are also unsure, if you could give me some advice I would be most grateful.

If you collect the rent on your daughter's behalf, you will be assessed to tax as her agent (under section 78 of the Taxes Management Act 1970), subject to relief for the mortgage interest. On the other hand, if the rent is paid direct into your daughter's UK bank account (for example), the tenant will be assessed to basic-rate tax on the gross rent, and he or she will consequently be entitled to retain 30 per cent of each rent payment: this will leave your daughter having to claim relief for expenses wear-and-tear and mortgage interest, by submitting details to the local (UK) tax inspector next April.

You will find general guidance in three free booklets, which are obtainable from tax inspector's offices:

IR11 (1985) Tax treatment of interest paid;

IR20 (1983) Residents and non-residents: liability to tax in the UK;

IR27 (1983) Taxation of income from real property.

It is rather a pity that you did not seek guidance from the solicitor who acted for your daughter in the purchase (and mortgage). Incidental advice on the tax aspects of house (or sale) does not generally add very much to a solicitor's conveyancing charges.

Avoiding share transfer duty

In order to mitigate the effects of Capital Transfer Tax and Capital Gains Tax I wish to transfer some of our shares to our children in the most economical way within the annual exemption limits. Already we use up part of the annual exemption limits by reversionary bonus and rights issues.

Can I avoid share transfer duty by making a deed of gift. I believe the duty was much reduced or eliminated in the 1985 budget.

What is the procedure please?

A deed of declaration of trust will achieve your object.

A precedent may be found in Volume 22 of the Encyclopaedia of Forms and Precedents, or in Kelly's Draftsman.

Wife's interest in collateral

I have recently remarried in middle age, knowing that my husband needs to borrow large sums seasonally from the bank using the house as collateral. He is sole proprietor of a business, and I work elsewhere. We are buying a bigger house with our joint resources. I would like to have some control over the use of our home as collateral, in the event of his incapacity or retirement. I would like to stop this agreement if necessary, and ensure that subsequent business profits amortise the debt. How could I achieve this?

You should ensure that the house is transferred to you and your husband as tenants in common in equity, and that a Form 62 restriction is placed on the Register of Title. Then you must be consulted if your husband wishes to charge anything more than his equitable half share.

Children and capital gains

My small children have been given outright a few thousand pounds by a grandparent. There is no formal trust, and I understand that the legal position is that my role as "guardian" requires me to look after their affairs to the best advantage. In fact, I would like to build up their capital for use later in life, perhaps by investment in property.

My solicitor tells me that my children cannot, being minors, own real property, but they can do so jointly with myself or other adults. Joint purchase of a reversionary interest could provide the capital gain I am seeking.

My problem is: when a capital gain is realised, would the Inland Revenue permit each minor a CGT allowance against his/her share of the profits?

Is it likely the Inland Revenue would seek to interpret the transaction in some unfavourable way?

There will be no tax problems, provided that the facts can be clearly established. Doubtless you paid each child's money into a separate account; make sure that each child's account which contains gifts from his or her grandparent (or other people) is never used as a home for pocket money or other cash gifts from your wife or yourself. Preserve the letter which accompanied each gift (or the covering letter which accompanied all the simultaneous gifts) for production to the Inland Revenue if need be. Your solicitor will be able to explain the pitfalls surrounding section 437 of the Income and Corporation Taxes Act 1970. We recommend that you and your wife have no beneficial interest in any property as joint tenants (or tenants in common) with your children.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Expatriates

Fall of the single premium bond

A SUDDEN move by the Chancellor in November 1983 against single premium bonds written by offshore insurance companies has undermined many of their attractions for expatriates.

The single premium bond is a life assurance policy with minimal life cover. The premium is invested by the insurance company in a managed fund of stocks and shares or other securities. No dividends are paid and, when income is required, it is provided by regular withdrawals which are partial encashments of the policy.

The investment is written in this way to ensure that it attracts special tax rules. So a UK resident holding domestic single premium bonds, has no liability at all to 30 per cent basic rate tax on the income although — if he is in a higher tax bracket — tax at excess rates (e.g. 20 per cent for a 50 per cent taxpayer) applies to withdrawals and to profits realised on encashment.

There is, however, a special provision whereby, for the first twenty years, annual withdrawals amounting to 5 per cent of the amount invested are not subject to tax. This allowance is clawed back at the time of a total encashment, although a "top slicing" relief prevents the realisation of substantial gains in any one year from giving rise to an inordinately high liability.

For the UK investor, the bonds can be used to defer tax liabilities. However, whatever the investor's personal liability, the insurance company has to pay tax at up to 37½ per cent (soon to be reduced to 35 per cent) on the income of the underlying fund.

Consequently, in relation to income, the exemption from 30 per cent basic rate tax represents a substitution of one tax for another—and in the case of capital gains, which in the hands of the individual would attract an exemption of £5,900 per year, bonds suffer a disadvantage.

As recently as 18 months ago, the expatriate could enjoy the best of both words, i.e. 5 per cent per year higher rate tax allowance and exemption from basic rate tax *without* suffering any underlying tax on income and gains within the managed fund. He could achieve this simply by effecting the policy with an "offshore" insurance company which, being resident outside the UK, could invest the premium in funds which were not subject to taxation on either income or capital gains.

The situation was too good to last and resulted in the Government introducing new rules which removed the major advantages overnight. Nevertheless, the expatriate can still invest in offshore single premium bonds, his investment will still roll up free of income tax and capital gains tax and the facility to withdraw 5 per cent p.a. free of taxation even after returning to the UK remains. But if he cashes in his bond while a *UK resident* the accumulated profit (after apportionment on a time basis to exempt any period of non-residence, and after "top slicing.") is subjected to 30 per cent basic rate tax as well as to higher rates, if appropriate.

So, do offshore single premium bonds remain useful? Do they represent a better deal for the expatriate than alternative investments, including (in the case of those returning home soon) UK bonds with their significantly lower charges and generally better investment performance?

As one would expect, insurance companies and brokers specialising in the expatriate market have been doing their utmost to make the best of the new situation and have come up with varying solutions. With the major tax advantages of the offshore bonds neutralised, some companies have looked to maximise investment returns by offering a wider range of funds with facilities for cheaper switching between them. Others have taken a different route by offering a "personal" offshore bond where, instead of a managed fund, the policy is linked, for example, to one or two large holdings of gilt stocks or eurobonds with a view to making maximum use of its facility to accumulate the high income yield tax free. Such bonds can do this efficiently. But the results become much less attractive when one takes into account the sting in the tail by way of the tax payable when the profit is eventually realised.

Writing offshore bonds within a flexible trust is frequently proposed too. But such a step involves more tax complications, which require detailed consideration.

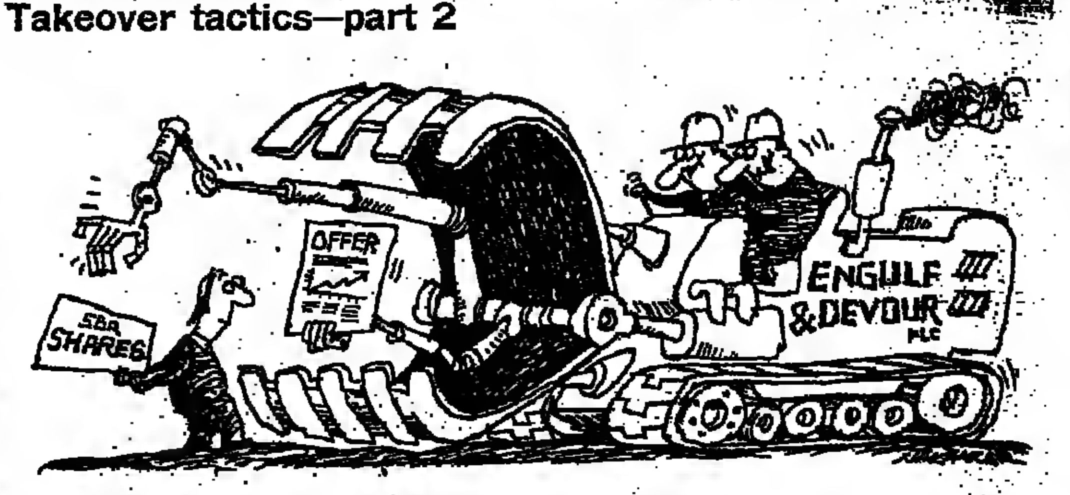
Otherwise the only users of offshore single premium bonds should be expatriates who intend to return to the UK for a few years, but will not need to cash in the bonds until they are abroad once again and non-resident for UK tax purposes. In that situation, an offshore bond serves as a tax shelter throughout its life even while the investor is back in the UK.

However, for nearly all other expatriates, offshore single premium bonds are either irrelevant (if the expatriate is staying abroad) or an expensive means of converting tax exempt capital gains into fully taxable income.

Peter Cole is a director of Wilfred T. Fry (Personal Financial Planning).

Peter Cole

Takeover tactics—part 2



Broadsides in the mail

The story so far: Henry Punter, a stock market dabbler, is learning about takeover tactics the hard way — with his own money. Engulf and Devour, a large industrial holding company, has launched a bid for SBR, an engineering company in which Henry has a stake.

ABOUT THREE weeks after Engulf and Devour first announced to the world that it was making a bid for SBR, the postman pushed a large brown envelope through Henry Punter's front door.

The envelope contained Engulf's formal document inviting Henry to accept its offer for his SBR shares. "This document is important and requires your *immediate attention*," were the first words he read on the cover. They were printed in big, bold capitals.

But Henry, who had been advised that he should not be rushed into precipitate action during a takeover, promptly put the missive to one side, returning to its only that evening when he could savour its contents with a stiff gin and tonic.

The posting of an offer document marks an important point in any takeover battle, for it is on this day that the clock which governs the bid timetable begins to tick.

Under the takeover code a predator normally has just 60 days from the date the documents are despatched to declare the offer "unconditional as to acceptances." This means that the holders of more than a specified percentage of the target's shares—usually 50 per cent—have pledged their equity to the predator, thus ensuring it victory. If it fails to get sufficient support to declare the offer unconditional, those people who have accepted will get their share certificates back.

With the exception of certain cash offers, a bid has to be kept open for at least 14 days *after* it goes unconditional, thus allowing latecomers to accept. This is another reason why small shareholders should not be stampeded into proffering their shares. If a bid is accepted by holders of at least 90 per cent of shares, then the predator company can in time compulsorily acquire all the others on the same terms as the offer on the table.

The offer document which sets this whole process in train formally explains to the shareholder the terms of the bid, the conditions attached to it and details of the procedure for accepting.

It also gives the rationale for a merger, an outline of both the predator and target companies' businesses and financial records, and spells out for shareholders the financial effects on them of accepting the bid. Appendices at the back list any contracts of material interest to the bid and directors' interests in shares.

An offer document clearly must be read closely, and with more than a pinch of salt. It is, after all, propaganda, and while the facts in it must be accurate, they may be culled with a degree of selectivity. Not too much selectivity, though, for then the Takeover Panel may cry foul and force the company to put out a corrective statement. Over the past year, for example, the panel has been particularly concerned about misleading graphs.

Henry Punter is glad he waited till he had a stiff drink beside him before he looks at Engulf's document. For if it is to be believed SBR's track record is far worse than he ever imagined.

Not only have SBR's profits been flat for years, but it appears the company has made a series of "severe strategic errors" leading to a "drastic closure programme that has had a deleterious effect on net asset value per share."

All this seems to stand in marked contrast to Engulf's remarkable growth over the past decade, vividly illustrated by a series of bright red charts that seem set to burst off the top of the page. Henry is invited to "join a winning team with a proven record" and he is tempted to post his acceptance there and then.

He sees a note on the front of the document stating that the "latest time for acceptance" is a mere three weeks away. This, however, is somewhat misleading, referring as it does merely to the "first closing date" of the offer — the first time that it can be declared unconditional.

A bid must be kept open for at least 21 days after the posting of the offer document, but it is a rare contested bid that is settled so rapidly. Thereafter, the bid can be extended or improved as much as the bidder likes, provided that he has not definitively ruled out such a move and provided there are no changes after the 46th day. This allows shareholders 14 days to consider any new offer before the curtain comes down on the 60th day.

If a rival bidder emerges during this period, the timetable is scrapped and the clock starts ticking again at day one.

Two weeks after Engulf's broadside, another big manilla envelope arrives on Henry's mat. This holds SBR's defence document, its formal rebuttal of the case Engulf has made, together with appendices listing directors' interests, service agreements, and material contracts.

SBR presents a fairly standard defence. It acknowledges its past problems but explains that, with this painful rationalisation process past and under a dynamic new management, it is about to move up to an altogether different level of profits. Engulf's "opportunistic" management must not be allowed to reap the benefits now due to loyal SBR shareholders.

It too produces a series of graphs, with thick blue lines soaring upwards, and condemns the bid for its "total lack of commercial logic" and "gross under-valuation" of the company.

It all sounds rather convincing—until the next broadside from Engulf. As the bid progresses, Henry is subjected to a stream of literature from both sides. Each letter seems shorter than the last, but the type size gets bigger, the insults less guarded and the tone more hectoring.

Throughout this, Henry faithfully follows one of the most important rules of the takeover game—to keep a close watch on the share prices of both companies—and he is intrigued to notice that they move hardly a penny. The market seems unimpressed with this huffing and puffing.

Next week: Henry's painful choice.

● *A transposed paragraph in last week's episode created a misleading impression. The fifth paragraph from the end, beginning "At this point . . ." should have appeared two paragraphs higher. Thus the fourth paragraph from the end, beginning "But generally . . ." referred only to the tactics in an agreed bid.*

Martin Dickson

Finance and the female

Own it together if you live together

DON'T LET your heart rule your head when buying a house with an unmarried partner. In particular, don't neglect the technicalities of who owns what.

Even if you are entering the transaction in a frame of mind similar to that of a married couples, you need to consider the complications that could arise if you ever decided to sever the ties with your partner. Otherwise you could find that the questions of entitlement to house and contents added to the probable tension and acrimony — and possibly caused your financial loss

To minimise such risks, when you buy a home together, do just that. Buy property in your joint names, where each party owns an indivisible share.

When you buy property together, you can do so either as joint tenants or tenants in common. When a husband and wife buy a home together, they usually have a joint tenancy. This ensures that, regardless of a will, the spouse inherits the entire value of the house in the event of the death of one partner.

If you are tenants in common, you are both entitled to a share of the property. The death of a partner who does not leave a will means that his/her share of the property will go to next of kin and at least in part to the spouse. But a will ensures that you designate the property to the person of your choice.

Buying as tenants in common does not mean that you give away your right to any funds you may have put up as a deposit on a property. If, for example, you put up a £10,000 deposit on a *£50,000* house, you could be entitled to one-fifth of the total sale value of the property and only then will it be divided in half between you.

But it is advisable to set down your claims of ownership in a contract drawn up by both of you when you buy the property—to avoid disagreements at a later date.

Your right to the increment on your original deposit as reflected in the growth in value of the property could be affected by other claims. If, for example, your partner is living in rented accommodation after you separate, you could be deemed to be renting his share of your *business*, and an *adjustment* made in your share of the proceeds of the sale.

To satisfy possible queries from the Inland Revenue, it is advisable to keep receipts. In the case of married couples, one partner frequently pays the mortgage while the other pays the bills. In such case, it can be difficult at the time of a split to ascertain how much each individual paid out.

If you each own a share of the property, you can compel its sale at any time, or you can buy your partner out if he/she wants to leave.

In the case of a joint property, the Inland Revenue considers the value of a half-share at a 10-15 per cent discount. This does not mean that if you decide to buy the other person out you will get his/her share at a discount. But if one partner dies and leaves his/her share to the other, the discount becomes relevant when valuing the property for Capital Transfer Tax (CTT).

In normal cases, there are no limits on CTT exemptions on property passing as gifts between husband and wife. For unmarried couples, however, there is an individual CTT exemption limit of £67,000. This means that if you own a half-share in a house worth £150,000 and your partner dies, leaving his share of the house to you, you could be liable to CTT on £8,000 (£75,000 = £67,000), assuming you are not liable for CTT on anything else.

Is it any more difficult to get a mortgage as cohabitees than as a married couple? Most of the major building societies emphasise that the days of opposition to "sin mortgages" are over. Both cohabitation and buying property together are on the increase, often for practical reasons, particularly in London.

It is advisable to hold endowment policies as tenants in common with the benefits of one policy transferrable upon death to the other partner. This is particularly true now that tax relief on life assurance has been abolished.

If you go your separate ways before two or three years are up on your endowment mortgage, bear in mind that your insurance policy is unlikely to have any surrender value. In that case it would make more sense for a joint policy to be rearranged on one life only or for one partner to assign the policy to the other.

The actual payment of your mortgage can be done as you wish—by two standing orders or a separate joint account into *which each pays half*, for example. But opening a separate account could incur additional charges. Your choice will depend on whether you wish to establish your existence as a separate individual and equal business partner.

Dina Thomson

FINANCE & THE FAMILY

Harrods and rock salmon

Second time round: Mike Smith continues his series on people who set up a thriving business after first finding success in a different career

Up on the farm: Jethro Tull's Ian Anderson salmon farming on Skye while the beat goes on

IF ROCK star Ian Anderson had been looking for a more secure, less pressurised career, Scottish sea salmon farming would not even have made his list of options.

At the time, the late 1970s, the industry was in its infancy and the risks of setting up a business were high because of weather and disease problems, and skill deficiencies.

Ian Anderson did not need to take risks. After a decade of success with Jethro Tull he was a millionaire and the group was continuing—as it still is—to sell out concert tours and appear in album record charts in countries all over the world.

His decision to try to build a second successful career has, however, paid off handsomely. Last year his salmon farm on the isle of Skye, off the west coast of mainland Scotland, recorded profits of about £70,000 (on turnover of £320,000). That, he says, represents a third of his outlay and the profits are rising fast.

Now, not surprisingly, Anderson plans expansion. He owns a smoked salmon factory which supplies Harrods and Selfridges, the department stores, and Qantas Airlines. Next year he intends to start up two more salmon farms. If they go as well as the first—" and the luck continues "—he reckons his fish could one day be more lucrative to him than his rock music has been.

Scotland's farmed Atlantic salmon industry is the world's second largest, with only Norway's output higher. Last year it provided 515 jobs, a 38 per cent increase on the 1983 total, and its exports, which accounted for around a third of production, earned about £5m.

The rapid growth is partly explained by the dwindling supplies of wild Atlantic salmon. It owes more, however, to improvements in aquacultural and transport techniques which enable fresh farmed salmon, tasting nearly as good as wild, to be served in shops and restaurants throughout the year. Previously the fish was a seasonal delicacy.

The Scottish industry comprised 69 companies last year but was dominated by the five largest — headed by Unilever's Marine Harvest and Booker McConnell — which together claimed 66 per cent of the output. Anderson's company, Strathaird Farms, produced 80 tonnes, much less than any of the top five but enough, says Anderson, to put it in the top 10 of producers.

Anderson says he first become interested in fish farming on one of his group's world tours in the mid-1970s. "Rock music is an extremely enjoyable way of making a living but on a big tour there is always a certain amonut of boredom and we all had to find extra things to do," he says.

"I wanted to do something which would be useful to me and I started to read about salmon farming. It appealed to me because it was something not many people knew about. I was able to get in at the beginning and catch up on the research about the right way of doing it."

He saw his chance in 1977 when the 15,000 acre Strathaird estae in the south of Skye, became available. It had an ideal site for a fish farm—a sheltered fjord-like loch next to an acre of flat land—and buying it enabled Anderson to realise his long-cherished ambition of owning a property in his native Scotland.

Anderson always intended to play an active role in the salmon farm but he knew that his commitments in music and his agricultural farm in Buckinghamshire meant he would need a farm manager. For this job he chose Robert Kelly, a friend and one of his road managers, whom he financed to attend an aquacultural college in Dumfries.

At the end of Kelly's two year course, Strathaird Farms began stocking salmon at commercial levels.

By its fourth year, 1982, the company was making money. The first profit was £20,000 but two years later that figure had been nearly quadrupled and Anderson is expecting a profit of between £100,000 and £120,000 for this year.

The Strathaird smoked salmon factory began life in August 1982 with six owners in partnership. When eight months later the business was struggling the other five withdrew but Anderson decided to persevere and bought the others out.

"The company had set out to do the wroug thing," he says. "It went for bulk sales of frozen salmon on supermarket shelves. Consumers wanted high quality, fresh (chilled) salmon."

After holding smoking trials Anderson reckoned he had got the product right and be prepared for the daunting task of selling it. Even by then there was still fierce resistance to farmed salmon.

"I felt nervous about approaching Harrods so I asked my wife Shona's father (David Learoyd, a former wool merchant and now the factory company's sales director) to do that. I felt confident enough for Selfridge's, so I went in to see the food managers and slapped a pack down on the table.

"At first they said they did not want it but I managed to persuade them to buy 50 packs as an experiment. The following day I got a panic call. They had run out and they wanted another 150 immediately. We knew then we had got it right."

Anderson expects the smoked salmon factory, which employs 27 people compared with five on the salmon farm, will break even this year but he says the rate of return on his investment will never be great because of the high overheads. So, for his next fortune he is looking to his salmon farms.

Anderson calculates that in its 18 years of existence Jethro Tull has created turnover of more than £100m through its concerts and records and spin-offs. "It would be a long time before you could ever equal that in salmon farming but in rock there are a lot more people, like road crews and accountants, to pay and you have a job to know where your money is going.

"In fish farming it is just me and a few other people. A much larger proportion of the income comes my way. In the end I may earn more from salmon than I did out of rock."

Personal banking

Take care on the money-go-round

CHANGING YOUR bank account used to be as rare as changing your doctor. But today banks spend a great deal of time and money in an attempt to persuade you to switch your allegiance.

Away from their head offices however, many bankers take a more conservative view. One branch manager told me that 70 per cent of his troublesome accounts came from other banks. So he treats all new transfers with some suspicion.

If you do not get on with your bank manager there is no point in prolonging the agony. But to sign a piece of paper on impulse instructing your bank to close your account and transfer your balance and all your securities to another bank whose advertisements have taken your fancy is dangerous. A good track record built up with a bank over several years should not be discarded lightly. It has inherent advantages which can easily outweigh any initial inducements to change.

A visit to the bank whom you favour with your custom should prove worthwhile. Better still, call on several banks if you feel that there is little to choose between them and you have the time.

Tell the manager why you are thinking of changing, give him details of your banking requirements and ask him whether he would be prepared to take your account into his books and on what terms.

No bank manager likes to lose a good account. He may have to explain the circumstances to his superior. Do not be surprised therefore, if your present manager tries to persuade you to stay with him. If you have definitely made up your mind to go and do not wish to have anything more to do with him make this clear on your written instructions to make the transfer. Your new manager should be able to deal with any queries concerning the transfer.

One snag which may arise however, is that he may be unable to obtain a reference on you from your previous bank. Barclays states that it is not its policy to answer queries of this nature from other banks. It argues that the status inquiry system is intended for the use of people doing business with bank customers and not to give information to other banks trying to win customers. Lloyds, Midland and NatWest have no such restrictions at the moment and say that they answer all status inquiries.

The answers to such inquiries will be couched in general terms simply stating whether or not the bank regards you as a suitable person to maintain a banking account. No details of the account will be given.

There may be practical difficulties in transferring your account. A chicken and egg situation can arise when your old bank will not transfer your account until you hand in your cheque book, cheque guarantee card and cashpoint card and your new bank will not issue you with a cheque book and its cards until it receives your account.

Banks say this transfer should be completed within three days, but in practice it often takes longer. Meanwhile, you are effectively unbanked so you must ensure that you have enough ready funds to tide you over this period. A better plan, if you have sufficient funds available, is to open the new account before closing the old.

Normally, banks do not charge for transferring an account, but they may claim expenses. Where securities are involved this could amount to a substantial sum.

Harold Baldwin

The market for 'sheltered' homes

BRITAIN'S BUILDERS, and property developers, increasingly aware of the considerable purchasing power of people trading down from a too-large family home, are now providing a wide choice in the retirement market.

But are they getting it right? With retirement seeping into the 50s age group, living requirements need to be geared to many people who are still youthful and active. Surely better selling slogans than "sheltered housing run by wardens" can be produced.

But they have problems in finding the right sites. Cornwall and South Wales are potentially large markets, but there are very few underdeveloped sites in these areas which are not in hilly terrain.

The factors affecting location are listed in advice note by the House Builders Federation, *Sheltered Housing For Sale* (£4 from BEC Publications, Coventry Road, Sheldon, Birmingham): A pleasant environment (Lively and interesting views), mobility (near a bus stop), services (near the shops), and community facilities (parks, pubs, libraries and churches), are all high priority.

McCarthy and Stone, New Milton, the Hampshire-based pioneers of popular priced retirement housing, increased their sales to 737 units last year from 482 the previous 12 months. They maintain that they can eventually support 3,000 units a year with their land-bank. In March the company paid £422,000 for the ¾-acre old school buildings site in Baker Street, Weybridge, Surrey, a figure which auctioneer Messenger May Baverstock says reflects the high level of land value in the area.

McCarthy flats from £37,500 to £45,000, recently released at Worthing, Sussex, sold swiftly to local residents. Another, larger, project is already under way in the district.

Wates launched another Worthing project last week. Belmaine Court in West Street, just off the sea-front. Prices are £36,750 for a studio, going up to £50,000 for two bedrooms.

Near Chichester Cathedral, The Maltings, Westgate, is a particularly stylish scheme designed by architects Critchell Harrington on the site of the old Chichester Brewery. It is Seaward Homes' first venture into what sales director Jeremy Thomas calls "a service and care market."

Prices are from £39,250 for a one-bedroom apartment, up to around £57,500 for a two-bedroom, two-bathroom unit. The brochure (from Seaward, Drayton House, Chichester, or the show flat), details the estimated service charges. They work out about £7.89 a week to include a resident administrator appropriately described as a "professional good neighbour." For individual heating, lighting, hot water, ground rent and rates, you need to add about another £14.

Outgoings are much more at Batworth Park, Arundel. But then you are in what was originally part of the Duke of Norfolk's estate, and the ambiance is very much country-mansion style, with a chauffered car to take you shopping or to the dentist.

That is included, while extra is the luncheon service when "high quality delicacies are brought to your door each day." Details from David Barker, Fountain Housing, 12 Gay Street, Bath. Apartments in the converted Victorian house or newly built annexe are from £52,500 to £75,000, with two top floor units which could be made into a penthouse.

A factor not yet fully taken account of, is what happens if residents become too old and too ill to look after themselves. McCarthy and Stone has gone into the nursing and residential-care homes for the elderly, buying Evans House, convalescent home at Bexhill-on-Sea, to be developed as a registered nursing home to provide 24-hour medical care.

Elderly Accommodation Counsel (EAC), Eardley House, 182-184 Campden Hill Road, London, W.8 (01-243 8545), is a much-needed advisory service just set up by Michael and Angela Farnell, with Lady Georgina Coleridge, Hugh Faulkner, and Mr David Atkinson as consultants.

Mrs Farnell says: "People don't think about their future living conditions early enough. Nor do they sit down and consciously decide how they would like to live, where they would like to live, what their help-requirements are going to be, and what they can afford, until it is too late, and it all has to be done in a hurry."

Through computer listings, EAC will supply print-outs of various retirement projects around Britain. So far more than 10,000 questionnaires have been sent to residential homes of all kinds, excluding those in the NHS and 600 or so have already enrolled at a cost of £15 plus VAT a year. But for the service to be really comprehensive they need the support of all in the market.

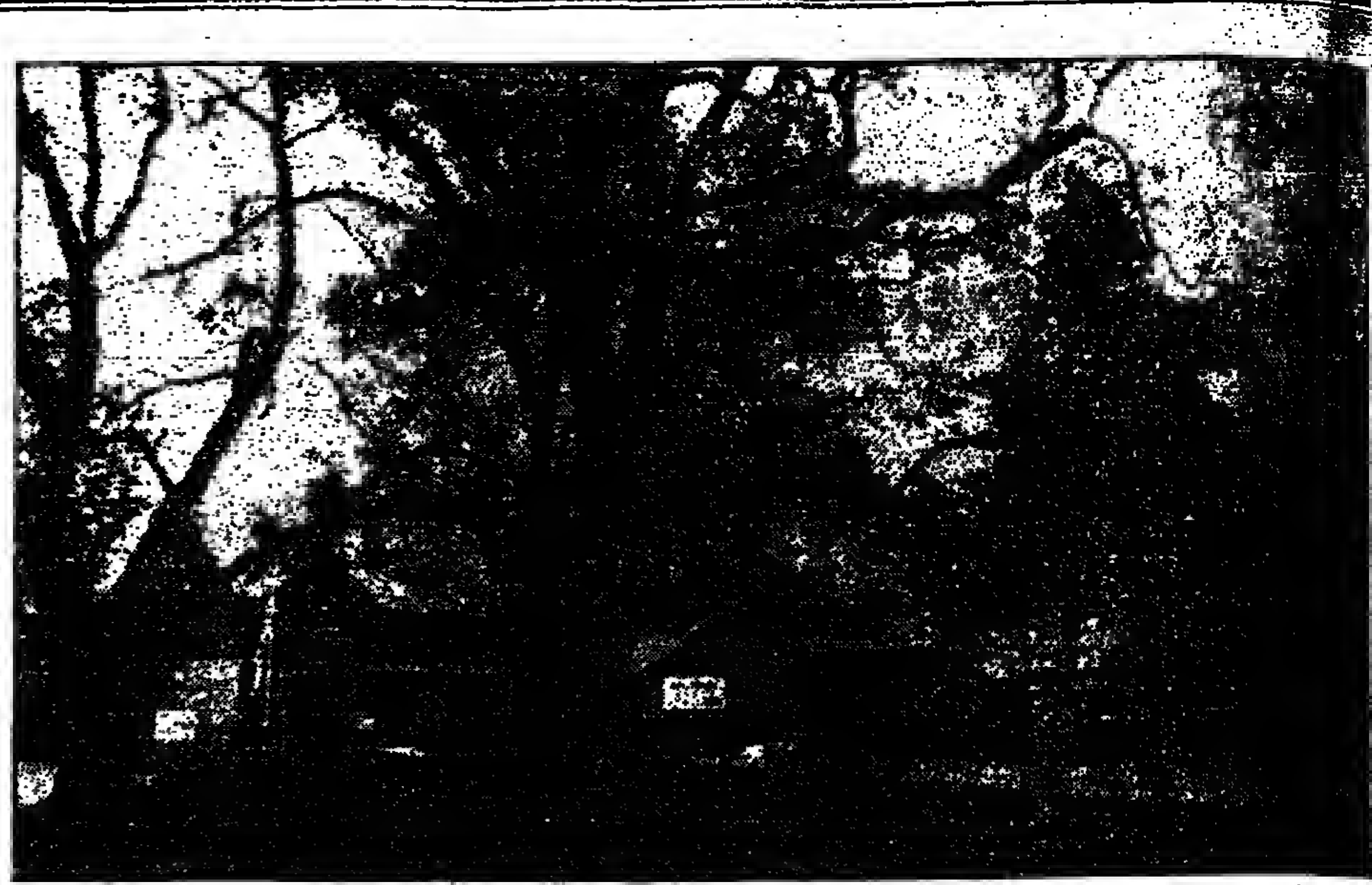
For individuals the charge is £8 to register. You need to say the sort of accommodation you want, where, and how much the financial resources to go nothing suitable the fee will be refunded. A point to remember is that as EAC does not have the financial resources to go out and inspect the various projects, it is important to work out your own check list as to suitability.

For a fact sheet *Sheltered Housing For Sale, Avoid The Pitfalls*, send a large stamped addressed envelope to Helen Tovey, Age Concern, 60 Pitcairn Road, Mitcham, Surrey.

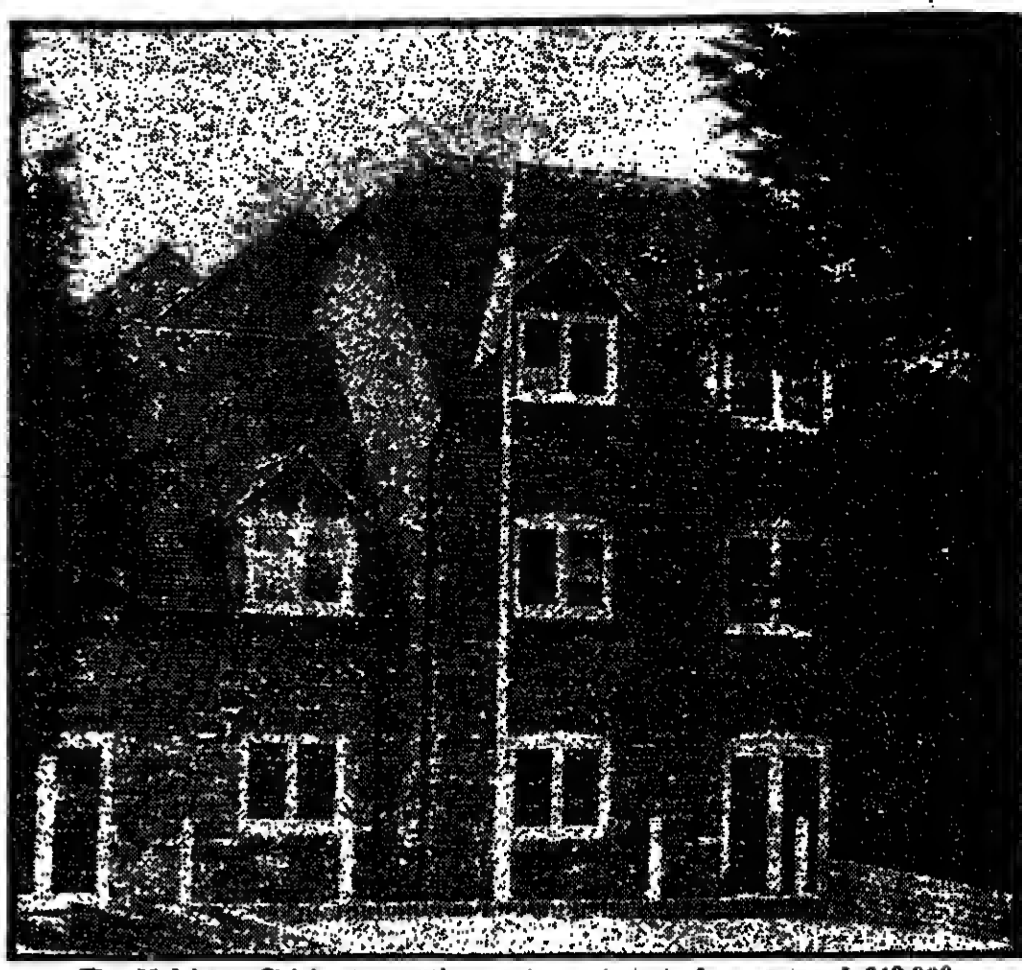
It tells you what you should expect in design (from security on doors and windows to convenience of light switches and sockets), how to judge the reliability of the alarm system, what to expect from a warden, caretaker, or resident secretary, and whether there is any equity retention when you or your executors come to sell.

They warn you particularly against signing any lease that allows the landlord to retain any increase in value other than any agreed deduction towards the sinking fund for major repairs.

June Field



Dumbrells Court, Ditchling, a development in East Sussex by Alfred McAlpine Retirement Homes, offers two- and three-bedroom cottages and bungalows from £64,500



The Maltings, Chichester, retirement apartments from around £42,000. Details Seaward Homes (0243 778800)

هكذا من الأصل

RESIDENTIAL PROPERTY

One of the only remaining magnificently preserved moated castles in England

For Sale

This piece of mediaeval history nestles in beautiful Lancashire countryside, close to the Cumbrian and Yorkshire borders, 13 miles north east of Lancaster and just a stone's throw from the M6 motorway.

Set in 15 acres, Thurland Castle is secluded and very secure, protected by a full moat and entered via a gatekeepers' lodge and a long tree-lined drive.

Currently a private residence, the castle has planning permission for a 50-bedroom hotel or a nursing home and would make an ideal conference centre.

The main building has 8 reception rooms, 20 bedrooms and 5 bathrooms, plus magnificent stables and other out-buildings all set in landscaped gardens.

Offers are invited in excess of £1½ million.

Thurland Castle
LANCASHIRE

Grimley & son
CHARTERED SURVEYORS
061-834 7187
St James's Square Manchester M2 6DN

ELM TREE ROAD, ST JOHNS WOOD, NW8

Six exclusively designed modern Town Houses

Quietly situated in the heart of St Johns Wood, adjacent to Lords Cricket Ground a superb development of detached Freehold houses set in attractive landscaped surroundings.

All houses have been finished to a high standard including fitted carpets and there is an exciting show house by Phoenix Designs.

Each house has been individually yet practically designed offering generous and flexible accommodation including 5/6 bedrooms, 2/3 large reception rooms, superb kitchens and bathrooms. Integral garages and secluded gardens.

PRICES ON APPLICATION TO SOLE AGENTS

SAVILLS
139 Sloane Street, London SW1X 9AY
01-730 0822

No. 14 Gloucester House.

No. 6a Sussex House.

SHOW FLAT OPEN tomorrow 2-5p.m.

Connaught House
11 Clifton Gardens,
Little Venice, W9.

An outstanding development of luxury Apartments overlooking and with use of private Garden Square in this newly restored Terrace. Close to Regent's Canal and the West End.

3 and 4 Bedroom Maisonettes from £165,000.

ONLY A FEW REMAINING

Joint Sole Agents

Chestertons
Chartered Surveyors
01-286 4632

Keith Cardale Groves
01-629 6604

Where can you live in Mayfair, overlook Hyde Park, go sailing, jogging, putting, play tennis, entertain in style and enjoy every modern luxury?

Fountain House, Park Lane. Where else?

120 year leases from £198,000 – £705,000

Last phase of refurbishment. 2-4 bedroom apartments with spacious reception rooms, fully fitted kitchens and bathrooms in luxurious purpose built block with garaging. Only minutes from Harrods and West End.

Superb flats open Mon-Fri 9.30am – 5.30pm. Apply Sole Selling Agents:

Hampton & Sons
6, Arlington Street, London SW1A 1RB. Telex: 25341
01-493 8222

DURHAM HOUSE

JOHN ADAM STREET WC2

A small selection of newly refurbished studio, one and two bedroomed flats in a dignified period building close to the River Thames and Covent Garden. 124 year leases

Prices from £59,000 to £97,500

Sole Agents
Chestertons
Chartered Surveyors

GARDEN SQUARE FLAT

Unique charming period Flat situated in the heart of the City. 2 bedrooms, 2 reception rooms, kitchen, bathroom Garage. To be leased by a Company for occupation by a named Director Partner. £7,750 per annum exclusive. 5 year Lease.

Chestertons

MAYS RENTALS
Quality Houses and Flats in SW London, Surrey, Berks
Tel: 037284 3811
Telex: 895112

KEITH CARDALE GROVES

RESIDENTIAL LETTINGS

KENSINGTON W8

Freshly decorated spacious ground floor flat with bright furnishings. Recept, kitchen, double bedrm, single bedrm, bathrm, cloakrm. £200 pw
Contact:
Jenifer Rudnay 01-629 6604

MAYFAIR W1

Spectacular 2-storey house. Ideal for entertaining on a lavish scale. 4 receps, 2 kitchens, utility rm, 5 bedrms, 3 bathrms, 1 shower rm, use of garage weekday evenings and weekends £850 pm negotiable
Contact:
Jenifer Rudnay 01-629 6604

Strutt & Parker
01-629 7282 13 Hill Street, Berkeley Square, London W1X 8DL And regional offices

WEST NORFOLK

2,732 ACRES

Between Downham Market, Ely and Brandon

THE METHWOLD FEN ESTATE

An Outstanding Agricultural Investment of mainly Grade 1 Fenland under intensive cropping

4 Fully Equipped Let Farms — 1,686 acres — Rent £102,155
Limited Partnership Farm — 315 acres — Rent £25,450
3 Farms with Vacant Possession — 713 acres
Miscellaneous Property — 18 acres — Rent £720
For Sale by Private Treaty as a Whole or in Lots

Chelmsford Office: Coval Hall - Tel: (0245) 58201
(Ref: GLL/SDH)

WESTER ROSS

23,640 ACRES

Inverness 77 miles - Fort William 71 miles - Perth 169 miles

KILLILAN ESTATE

An Outstanding Sporting and Residential Estate
Exceptional Lodge: 5 reception rooms, 8 principal bedrooms.
Farmhouse, 8 cottages, Farm Steading and Estate Buildings.
Excellent stalking: 74 Stags, 81 Hinds.
Salmon fishing on the Rivers Luing and Elchaig
10 year average: 31 salmon, 7 grilse, 33 sea trout
Brown trout loch fishing
Home farm, Blackfaced sheep flock
Pedigree Highland cattle

Edinburgh Office: 26 Walker Street - 031-226 2500
(Ref: 3BB3051)

WILTS/HANTS BORDER

659 ACRES

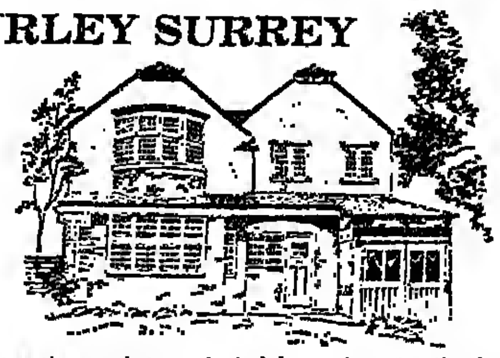
Salisbury 11 miles - Andover 10 miles

A HIGHLY ACCESIBLE COMMERCIAL ARABLE UNIT

Secluded 6 bedroom period farmhouse, 3 cottages
Farmbuildings. Amenity woodland
WITH VACANT POSSESSION

Salisbury Office: 41 Milford Street - (0722) 28741
(Ref: 7AB2636)

PURLEY SURREY



An attractive, substantial 4 bdrm. det. family house of character, built in 1936, situated in quiet, tree-lined road on favoured west side of Purley.
Purley is 13 miles south of London and 25 mins. by train to Victoria or London Bridge: also some 4 miles from Croydon. State and private schools within walking distance.
The house is a light and really spacious property in excellent order throughout, fully modernised with full gas c.h. and 13 amp ring main. Canadian pine parquet flooring throughout ground floor. Dbl. leaded light doors of stripped pine lead into dining rm. (15 ft x 16 ft), with arched bay. Dbl. aspect lounge (19 ft x 15 ft), beamed ceiling, patio doors on to garden. Clkrm., utility, kit/breakfast rm. (15 ft x 13 ft), 2 bathrms., one en-suite.
Mature, secluded flat garden. Plot ⅓ acre.
Price £129,950 for quick sale due to Company move.
Vendor has no house chain. Tel: 01-660 2135.

SMITHS GORE
CHARTERED SURVEYORS

North Humberside

MAJOR AGRICULTURAL INVESTMENT

3281 acres

comprising 8 tenanted farms—mainly arable—with a current rent roll of £153,332 per annum together with 33.80 acres of woodlands in hand.

FOR SALE BY PRIVATE TREATY as a whole or individually

London Office: 01-222 4054

---

abbotts

CHIGWELL, ESSEX

FOR SALE BY AUCTION on 27 July 1985

Country home of character with beautiful grounds of over 1 acre
4 reception rooms, 4 bedrooms, 2 bathrooms, etc.
½ mile M11. 14 miles Central London

Full details apply:
ABBOTTS
15 Duke Street, Chelmsford
Tel: (0245) 83266

OVERSEAS PROPERTY

Marbella Real

IT'S ANOTHER WORLD

MARBELLA REAL, BUILT FOR THE ELITE

Located in the worldwide famous golden mile. Sheer luxury and the most spacious garden apartments with panoramic sea and mountain views.

Private health centre; Bar restaurants; Indoor heated swimming pool; Sauna, jacuzzi; 2 squash courts, gymnasium; 6 out-door swimming pools; Tennis courts; Mediterranean gardens; Waterfalls; Underground parking and private lock-up storage.

Purchase in total security from our Government backed performance guarantee to our 24-hour security system.

For further information contact:

Mr E. Benatar, 17 Manor Lane, Maidenhead - Tel. 0628 781444

or to compare our standards visit our show apartment, which is our pride, on site Tel: Marbella 778428

Chestertons Overseas

PUERTO BANUS – MARBELLA
EXCLUSIVE LUXURY APARTMENTS

Jardines del Puerto

- ★ Swimming pools
- ★ Fitness Centre
- ★ 24 Hr Reception
- ★ Security Services
- ★ Underground parking
- ★ Air conditioning & CH
- ★ Shops
- ★ Squash
- ★ Tennis
- ★ Paddle Tennis
- ★ Restaurants
- ★ Finance Available

1 bed from £49,750   2 bed from £61,500   3 bed from £82,500

116 Kensington High Street, London W8 7RW
Telephone: 01-937 7244   Telex: 8955820

PRINCIPALITY of MONACO

For buying, selling, renting, managing or insuring

REAL ESTATE
CONSULT:

AGEDI

(J. de Beer, President)
« L'Astoria » (5th Floor) 26bis, Bld Princesse Charlotte
Monte-Carlo - MC 98000 MONACO
Tel. (93) 50.66.00 - Telex: 479 417 MC
Exclusive Representative for the Principality of Monaco of
SOTHEBY'S INTERNATIONAL REALTY
Free documentation upon request.

SWITZERLAND

EXCEPTIONAL PROPERTIES IN EXCITING LOCATIONS

Cantons Valais, Vaud and Fribourg

A wide selection of quality apartments and chalets available in a choice of Switzerland's top resorts — many can be "tailored" to suit your requirements. Exciting skiing — spectacular views over beautiful countryside — exceptional standards of construction and finish. Finance available at 6.5%. Prices between £50,000-£500,000.

Worktown International, 37, Maddox St., Mayfair, London W1. Tel: 01-629 8319.

WORKTOWN International Leisure Properties

JARDINES DE LAS GOLONDRINAS
MARBELLA   SPAIN

PHASE II BEACHFRONT APARTMENTS & PENTHOUSES READY AUGUST 85.

Private residential estate, including the five star Don Carlos Hotel · fully integrated sports and leisure facilities · Tennis Centre, European Headquarters of the Women's Tennis Association Premier Award for Landscaping · Professional Management and Security Services.

PRESENTATION DAYS
JUNE 18-20 1985

Jardines de las Golondrinas Conference Room
First Floor 35 Piccadilly London W1V 9PB

Telephone or Telex Jennie Pinder Managing Director Euro Property Advisers for private appointments between 10am-10pm on the above dates.

01 439 8985 – Telex 23116.

SWITZERLAND

Montreux-Geneva Lake

APARTHOTEL BONIVARD

For Sale Luxurious Apartments From 1 to 5 rooms, overlooking the prettiest part of Geneva Lake Prices: SwFr123,000 incl equipment and furniture 60% mortgage available at 6½% interest

Please contact the builder:

Regie de la Riviera S.A.
34 Avenue du Casino
1820 Montreux, Switzerland
Tel: 021/635251
Telex: 25873 ORIL CH

Victory Village Club
Quinta do Lago
ALGARVE

- Superb sporting and leisure facilities.
- Ideal for company or holiday investment.
- Apartments from £30,000. Villas from £91,000.
- Luxury properties overlooking lake, golf course and sea.

EURO PROPERTY ADVISERS

Tel: 0722 330847
27A New Street,
Salisbury, Wilts, SP1 2PH.
Telex: 477019

GEORGE KNIGHT Overseas

THE ESTORIL COAST is fast regaining popularity as an alternative to the Algarve. The various resorts have a sophisticated range of sporting and social amenities while all of the attractions and facilities of Lisbon can quickly be reached by road or rail.
We offer all kinds of properties ranging from seaside apartments with fascinating sea views to magnificant mansions in the countryside. For free Guidance Notes and full information please speak to John Nero or Grace Almeida
155-157 Knightsbridge London SW1
Telephone: 01-589 2133
Telex: 25480 EQUES G.

El Puerto

PARADISE PORT
ESTEPONA
15 MINUTES FROM
MARBELLA

For immediate occupancy

● Luxury beachside apartments all with views over the marina and sea ● White marble throughout ● Fully tiled kitchens ● Heating in all rooms ● Large terraces ● Colour TV and Video included ● Tennis court, swimming pool, etc ● Full financial and legal guarantees ● From £28,800 ● Mortgage of 60% over 10 years available.

For further details and brochure contact:

Mr E Benatar, 17 Manor Lane, Maidenhead - Tel: 0628 781444

When in Marbella visit our show apartment to see the best value in the area Telephone Miss Mathilda on 802594

BEAUTIFUL SAN JOSE ALMERIA

SOUTHERN SPAIN

Only 30 mins from Almeria airport

IN THIS DELIGHTFUL UNSPOILT FISHING VILLAGE WE HAVE

PUEBLO HOUSES FROM £24,750 & APARTMENTS FROM £18,232

ALL WITH SEA VIEWS

Brochure from

PETER A. MILLS
20a CASTLE STREET
SALISBURY, WILTS SP1 1TT
TEL: (0722) 334561

CHAMPEX — LAC

Superb winter/summer resort, 2½ hours Geneva in magnificent lakeside setting, skiing, sailing, fishing, etc. Studios SwFr145,500; 2 rooms SwFr190,000; 3 rooms SwFr289,500. Custom built chalets from SwFr 275,000. Inspection visits individually arranged.

The Swiss Specialists
Property in over 50 Swiss resorts
Contact.

HILARY SCOTT PROPERTY
422 Upper Richmond Road West
London SW14
Tel: 01-876 6555 - Telex: 927028

SWITZERLAND

LAKE GENEVA & LUGANO. In these exceptional regions, including Montreux, Gstaad-Valley and many other famous mountain resorts, we have a very big choice of magnificent APARTMENTS/VILLAS/CHALETS. Very reasonably priced but also the best and most exclusive. Price from about US$ 40000. Mortgages at 6½%. Please visit or phone: H. SEBOLD SA. Tour Grisa 6, CH-1007 LAUSANNE Tel.. 21/25 26 11 Telex: 24 298 SEBO CH.

FLORIDA, MIAMI, off 144 Str. House, 6 r., 2 baths, dble garage, pool, garden. Value $170,000 incl $80,000 trans mortgage. Will trade for £70,000 London flat or house in Middx all UK 030-084 609. Telx. 727661.

FRANCE

Incl. Alps & Côte d'Azur

Apartments and Villas from £12,700

Over 80 locations

SWITZERLAND

Apartments and chalets from £25,000

60%-75% mortgages from 5¾% pa interest over 20-40 years

VILLAS ABROAD (PROPERTIES) LTD
55 York Street, Twickenham
Middx TW13 3LL - Tel 01-891 5441

AUSTRIA

SPECIAL OFFER

Apartments for sale in world ski resort. £20,000-£70,000. Glacier Skiing in summer, heated pool, sauna, tennis courts, 2 nights free in hotel to view.
90% Mortgage available
Brochure:

CHESSHIRE GIBSON & CO
Tel: 01-491 7050

RESIDENTIAL PROPERTY APPEARS

EVERY WEDNESDAY AND

SATURDAY

LAKE GENEVA-MONTREUX

FOR SALE TO FOREIGNERS

4 Flats, lake view, directly from builder, no sales commission Ready July 1985. Excellent individual financing available
JS IMMOBILIER SA
Rue de Bourg 17, 1005 Lausanne
Switzerland - Tel: (021) 20 91 07
Telex: 24453 BAIL CH

• TRAVEL • MOTORING •

Papa Hemingway lived here

IF THERE is an image of Ernest Hemingway that can claim to be topmost in the minds of most Cubans, it is a picture of him, whitebearded and grinning, shaking hands with a smiling and almost awestruck Fidel Castro—who was sporting his his own famous black beard.

That robust handshake and accompanying *abrazos* took place in Havana 25 years ago. Hemingway had just returned to Cuba from trips to the U.S. and Spain. His praise for the Revolution and the Cuban people and his criticism of the deposed Batista dictatorship were a welcome moral boost to Castro and his *barbudas* (bearded supporters) at a time of growing misgivings within the U.S. about the objectives of the Revolution.

The Cuban people have never forgoten Hemingway, and today he is as revered as he ever was during the nearly three decades he lived there.

Cuban appreciation has, in fact, been given something of a lift with the stabilisation of the Revolution and the renaissance in the last ten years of Cuba's tourism industry.

Hemingway's house, the Finca Vigia (literally the Look-out Farmhouse) which has always been kept open, even during the dark years of the Revolution was ordered totally refurbished a few years ago, it is understood on the direct orders of Castro.

Situated ten miles south of Havana in the village of San Francisco de Paula, it sits on the edge of a ravine with a stunning panoramic view of Old Havana and Havana harbour.

The interior has been preserved more or less as his wife, Mary, left it following his suicide in the U.S. in 1961.

Thousands of books, mostly fiction and social commentary, line shelves throughout the Finca's six main rooms. There is also a splendid collection of 78 rpm records and some 300 monaural long play discs stacked up in a reception room.

There remains, too, the restful, unspoiled fishing village of Cojimar, 12 miles east of Havana. Cojimar provided the setting for Hemingway's novel, The Old Man and the Sea, and it was in Cojimar that he moored his yacht, the Pilar, for many years. The captain of the Pilar for most of that time, Gregorio Fuentes, arguably Hemingway's oldest friend, still lives in Cojimar, a lean and amazingly robust *octogenarian*. He is often cited as the basis for the character of Santiago, the old man in Hemingway's classic.

The village has made few concessions to the demands of tourism, apart from two excellent harbour front restaurants, a restored Spanish battlement and a modest monument to Hemingway nearby.

The question arises whether Hemingway would have enjoyed the early days of Castro's Cuba. Given the country's traumatic problems with his native U.S. and the disappearance in the 1960s of most of Havana's famous social life, the answer probably is no. Certainly, the colourful waterfront dives, such as the Pearl of San Francisco Bar in his 1930s novel, To Have and Have Not, are fewer in number and drab relics of the past.

But had he managed to stay the course, he would have found cause for celebration.

On the wall of El Floridita, a bar-restaurant in Old Havana, are framed several pages from an article from a 1950s edition of Esquire Magazine, citing it as one of the world's seven great drinking establishments "wherein Papa Hemingway himself can often be found."

For El Floridita's proprietors, the *lean days of the 1960s* are past, and it is once again a focal point for Havana's night life, the home of the daiquiri rum cocktail, a comfortable inn for the thirsty visitor seeking *refuge from the Caribbean heat*.

As a reminder that one is in good company, a framed picture of Hemingway hangs from a wall and a beaming bust of him stands in a corner.

Perhaps more indicative of the way things used to be is the nearby Bodeguita del Medio, a graffiti-covered hole in the wall, which probably serves the best creole dishes in Havana. On its walls hang dozens of faded photos of celebrities who have dined there and drank the local tipple, the mojito (dry white rum, sugar, twist of mint, lime juice and soda), such as Errol Flynn, *Jimmy Durante*, Lana Turner, Abbott and Costello.

The author's name and its association with deep-sea fishing were enough in recent years to prompt development of a new seaside yacht harbour called, appropriately, the Hemingway Marina, outside Havana.

One of the achievements of the Revolution was the end to illiteracy. As a consequence, Hemingway's three Cuba novels—the third was Islands in the Stream — sell out immediately there is a print run.

In an interview last year Castro commented on the difficulties Hemingway faced in supporting the government given Cuba's problems with the U.S.

"If he had criticised the process here . . . this would not have lessened our opinion of him at all, in the first place because his work was human and therefore open to criticism.

"We accepted him because we never doubted his loyalty, a loyalty proved over many years."

*How to get there: Iberia Airlines of Spain is the main conduit for Western European travel to Cuba, operating three non-stop flights weekly between Madrid and Havana. Iberia is the main marketing arm in Europe for Cubatur, the Cuban-government tourism department.

Frank Gray

Adult weekends in the country . . .

ESTATE AGENTS are supposedly the worst manipulators of the English language. What fun they have with "scope for improvement," "manageable garden" and "unusual design." In recent years, however, they have faced a bit of competition. In the wonderful world of computers "user friendly" is a description I have learned to suspect.

In theory it means that the computer will lend its comforting microchips arm and steer you through the complexities of its programs. For me it more often means a conversation much on the lines of:

"Find me the file on Smithers"
"What?"
"Find the Smithers file"
"Illegal command"
"What do you mean illegal?"
"What?"
"Help"
"Illegal command." And so on . . .

The truth is, of course, that they may be friendly, if one uses a very loose definition of that much battered word, but they are friendly in the sense that a five year-old Tibetan might be friendly—it helps if you talk to it in a language akin to its own and even then it has some difficulty with the more abstract of mankind's thought process.

To confess ignorance in this field is to carry something of a stigma, certainly in corporate and scholastic life. This may be why more and more directors and parents are creeping off for discreet weekends to learn a little of the new lingo.

"Most people are horribly nervous when they arrive" says The Earnley Concourse, that remarkable little Sussex hideaway for adults seeking further instruction in everything from flower arranging to plumbing. "They think they will not be able to keep up."

What usually happens is that everyone discovers that each is in the same boat and things go swimmingly from then on. Earnley offers day courses and weekend courses in various aspects of computer usage. Later this month, for example, there is a course on choosing and using a microcomputer.

A typical two day course at Earnley would cost £60.80 per person if you stay in the college, £37.80 if you stay elsewhere in the area and simply attend the courses.

If you want to play around with computers it is worth getting as many brochures as possible. Most, but not all, the establishments seem to use BBC Micros. Some have a heavier commercial bent to them and some are more the true holiday end of the market. One or two are aimed at families, and other cater for children and young adults.

Some indication of the demand for computer learning on holidays can be gained from the QE2 experience. Cunard installed a handful of personal computers in an upper deck reading room some time ago, along with a battery of those dreaded video games machines. Within a few months it was realised that while few people were interested in the games there was a constant queue for the computers.

The QE2 now has two dozen IBM computers installed and a resident tutor.

For further information try: The Earnley Concourse, Earnley, Chichester, Sussex PO20 7JL. Burton Manor College, South Wirral, Cheshire; Burwell House Residential Centre, Burwell, Cambridge, Cambridgeshire; Gainsborough House Hotel, Bewdley Hill, Kidderminster, Worcestershire BY11 6BS; Millfield School Village of Education, Street, Somerset; South Warwickshire College of Further Education, Stratford-upon-Avon, Warwickshire; University of Manchester Institute of Science & Technology, PO Box 88, Sackville Street, Manchester, M60 1QD.

Arthur Sandles

Computing afloat—Martie Kemmeter, the QE2's computing specialist, introduces a passenger to the mysteries of the personal computer. Use of the computer centre is included in the ticket price.

Tips for innocents abroad

MORE BRITONS will take their cars across the Channel for a motoring holiday this year than ever before. I have done so with my own family for so long I really do not think I could face the indignities of a package holiday by air any more. Sometimes it seems half my life is spent sitting in aeroplanes or hanging around for flights. So, come holiday times, I head for Dover and the Townsend ferry and, 90 minutes later, plug into the European motorway network.

Wherever you are going on mainland Europe, the greater part of the trip—sometimes virtually all of it—can be made by motorway. Except for Germany, they are no longer de-restricted. Many countries like Holland and Norway have lower motorway limits than we do though in Italy, medium-sized cars and above may legally do 86 mph (140 km/h) on the *autostrada*.

If you are caught speeding, an on-the-spot fine has to be paid and acting the idiot Englishman who speaks nothing but English will not help. The going rate is around £60. They want their money there and then and a credit card will not do nicely. If you feel the temptation to speed may be too strong to resist, have a bundle of notes in your back pocket. It will save a lot of bother.

The AA has just issued some helpful touring tips. They make it clear that although harmonization is the name of the EEC game, we all go our own way on the roads. In Britain, we get away with much that is either frowned upon or is positively illegal over the Channel.

For example, Italy does not allow any petrol to be carried in cans. It insists that you keep the officially numbered fiscal receipt after paying for a wide range of goods and services, including meals. If you cannot produce it, you may be fined.

Several countries, very sensibly, forbid cars from being driven on parking lights. If visibility is poor enough to require lights, they must be dipped headlamps. In Italy and Switzerland, dipped headlamps must be used in tunnels, whether brightly lit or not. In Sweden, your headlamps must be on all the time, day and night.

In France, drivers with less than one year's experience must not go faster than 56 mph (90 km/h) on motorways. Most countries demand that a hazard warning triangle is carried, for display behind a broken down vehicle. France and Germany require a spare set of light bulbs to be carried, too.

Drink-driving laws are as strict or even stricter on the Continent. In Italy (and little Gibraltar) no percentage of alcohol in the bloodstream is tolerated. You either drink, or drive, not both.

Although few countries actually insist on an insurance Green Card, it is most unwise not to have one. Equally, it is asking for trouble to take a car that is no longer young, or not in the peak of condition, on to the Continent without breakdown cover. This is available through the AA and RAC or from independent groups like Europe Assistance. Our tyres laws are more lenient. What may be legal here is unlawful over there.

If in doubt, buy new tyres before you leave; they are cheaper here anyway. So is engine oil; a spare litre in the boot is a good idea.

Security is critical in some countries. I heard an alarming story from a British couple driving through Naples. Within seconds of shooing away someone who wanted to clean their windscreen while halted in traffic, a scooter rider fell off in front of their car. Naturally, they stopped—and two other members of the team came up behind, opened the car doors and snatched the wife's handbag.

They lost all their money, credit cards and passports. While they were reporting the incident to the police, two other motorists came in with similar stories. The moral is that if someone does fall off a scooter, or if you have to stop for any emergency, make sure your car doors are locked and the windows are up.

Stuart Marshall

THE RELIANT SS-1 puts back the fun that went out of the motoring scene when the MG Midget and Triumph Spitfire were killed off some years ago.

While pitched at the young, and priced so they can hope to own one, the SS-1 will please keen drivers of all ages. Hood down and shirt-sleeved in late May's glorious sunshine, this decidedly *mature motorist* loved it. And my daughter was equally enthusiastic about its looks, its sharply direct steering and sporting behaviour.

Although this shapely two-seater was styled in Italy, it is as British as a pint of bitter. There are two models. The four-speed 1300 costs £6,995 and a five-speed 1600 is £7,795. The 1600, which I tested, is slightly more economical than the 1300 due to its higher gearing but with both, an mpg figure in the mid-30s is possible.

Engines and gearboxes are Ford; the SS-1 has rear wheel drive. Suspension is all-independent, the car is built on a strong steel chassis and the engine is mounted, as in a traditional sports two-seater, well behind the front wheel centres.

The ride is firm, the seats attractively trimmed and supportive. There is nothing spartan about the interior and the controls are well laid out. A stubby gear lever has an agreeably meaty feel.

Any of the new generation of hot hatchbacks would leave the SS-1 trailing on the autobahn (Reliant claims 100 mph for the 1300, 111 mph for the 1600) but who cares? To complain of modest top speed is to miss the whole point of the SS-1.

The hood is not exactly the kind that one may throw up and down single-handed between showers but it did not leak in heavy rain, nor did it flap on the motorway. When folded, it disappears into the body very neatly. A removable hard top is planned.

The SS-1 deserves to be a great success. The injection moulded body panels resist small knocks without scarring and will never rust so it should have a long life and depreciate only slowly. It is one of the best things to come from a British car factory for a long time.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Ltd, Bracken House, 10 Cannon Street, London EC4P 4BY. [illegible]

INTERNATIONAL & BRITISH EDITORIAL, ADVERTISEMENT & CIRCULATION OFFICES

[illegible]

For Share Index and Business News Summary, Telephone 246 8026 (number preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

All advertising is subject to the publisher's current terms and conditions, copies of which are available on request.

هكذا من الأصل

I already have spreadsheet software, so why do I need Moneywise?

Quite. So why do you need Moneywise?

Some questions are easy to answer.

Of course you have spreadsheet software. And there's some very good spreadsheet software around. Like 1-2-3 or Supercalc. We recommend them highly.

Because existing spreadsheet users are our best customers.

At the risk of labouring the point, asking "Why should I buy Moneywise if I already have 1-2-3?" is a bit like asking "If I already have a knife, what will I do with scissors?"

The answer's simple. It's a matter of application.

FT. MONEYWISE provides simple, unique solutions to business planning problems—especially those problems traditional spreadsheets were not designed for.

Moneywise is the only spreadsheet-type software to have an integrated reporting element. Different reports can be extracted from a single set of calculations. Using Moneywise, profit and loss, cash flow and balance sheet forecasts are merely different presentations. Better still they can be 'rolled' forward or back in time without resort to macros, by simply changing a base date.

Software for all seasons?

No.

But a very valuable tool for specific jobs. Why not spend a few seconds testing it?

What the experts write about FT. MONEYWISE PROGRAM.

'FT. MONEYWISE sets new standards of user-friendliness, speed, capacity and graphics capability that future financial planning packages are going to be hard put to equal, let alone better.' (Bob Piper, Micro Decision)

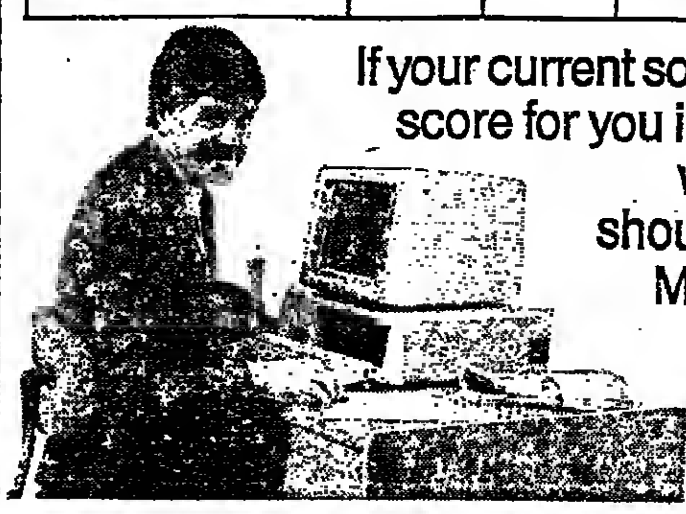
'Financial decision-makers who are currently using spreadsheet or programming-based modelling software have a treat in store for them.
'MONEYWISE is an extremely slick piece of programming. Only Lotus 1-2-3 comes anywhere near it in case of use.' (Dick Pountain, Personal Computer World)

'MONEYWISE is far easier to use than any other spreadsheet I've tackled.
'Where FT. MONEYWISE really scores is in its financial dedication.' (Neville Ash, Personal Computer News)

'This program will achieve great popularity within the market for which it is intended.
'The ability to change the assumptions of a model, and then with one keystroke *see the effects . . . is extremely powerful.'* (Iwan Williams, PC User)

The Moneywise Test

QUESTIONS	TYPICAL SPREAD SHEET	MY SPREAD SHEET	FT. MONEYWISE
1. Can I extract multiple types of reports and graphs from a single model, quickly and easily?	NO	?	YES Allows selective reporting
2. Can I put together a model quickly, and show its construction details to others for *analysis* and alteration?	NO	?	YES Is self-documenting *including logic*
3. Can I get high-quality, impressive printouts quickly without using another software package?	NO	?	YES The Moneyprint is a complete, A4 format, personalised financial report
4. Can I use financial formula from the very beginning of my work?	NO	?	YES Wide range of formulae provided
5. Much of my time is taken up "exploring" my model. Is it easy for me to alter figures, recalculate, examine changes in results and graphs, etc?	NO	?	YES Has extremely fast re-calculative speed and the "Bookmark" facility
6. I use my modelling system sporadically. Can I "put it down and pick it up again" without relearning complex sets of commands?	NO	?	YES Has Help specific to the context and the minimum of commands
7. I often need to adjust the start and finish dates of my models and show the subsequent changes in results. Can I do so easily?	NO	?	YES Allows just the "base dates" to be changed to completely "roll" reports forwards or backwards



If your current software didn't score for you in every box, we think you should see what MONEYWISE has to offer.

All we want you to do is to judge for yourself. Risk free. Take FT. MONEYWISE on free trial, try it and return it within 35 days without charge or obligation. At the least you owe it to yourself to keep abreast of software technology which the German magazine CHIP say 'in some ways surpasses even such classics as Lotus 1-2-3, Symphony and Open Access'. But then that's what you'd expect from the only software supported by the FT.

Solves hot problems in cold print

FT. MONEYWISE

MONEYWISE is a trademark of MONEYWISE SOFTWARE LTD.
FT. MONEYWISE costs £395 + Carriage + VAT rec. retail price.

Please return to Allyson Henderson, Moneywise Software Limited, 226 Sheen Lane, London SW14 8LD. Telephone: 01-878 8585.

☐ Yes, I accept your offer to lend me the complete FT. MONEYWISE software so I can see for myself how it will benefit my business. I understand that I may use the software as authorised without cost or obligation. If I should decide not to purchase the software, I will return it to you in good order within 35 days of the Moneywise despatch note date. Otherwise you will invoice my company £395 plus VAT & carriage and FT. MONEYWISE will be mine to keep.

☐ Please send me further details on FT. MONEYWISE.

Name__________ Position__________

Title__________ Company__________

Address__________

Phone__________

My 16 bit micro is a__________ with______ KB RAM

Signature__________

FT/25/5

Archaeology

The reality of Stonehenge in June 1985 . . . barbed wire and police

Stonehenge: a monument to alienation

LAST WEEK'S battle between police and "hippies" on their way to a pop festival at Stonehenge highlighted the very difficult problems surrounding the monument—itself a bizarre and distressing sight in its barbed wire cocoon. There are two major questions: how best might it be protected and displayed, along with its surroundings? And what should be done to ensure that visitors enjoy coming and understand what they see?

It has been agreed generally for years that something needs to be done—but, as always, difficult to decide what. It is much to the credit of English Heritage that, as a new statutory body, it is working hard to find a long-term solution.

Mid-summer makes the problems worse, mainly because there has been a pop festival every year for more than a decade on the land round Stonehenge (owned by the National Trust). The Druids have not caused damage and are received with respect. But the pop festivals have damaged the place; by the weight of feet, heavy vehicles compacting the surface, fencing pulled up for firewood, and holes dug for latrines or to accommodate posts for the staging (a bread oven has also been dug into a Bronze Age barrow). Then, there is the mess left behind for others to clear up.

Most of these are usual happenings at any country horse show. What is disturbing is that they have been at Stonehenge, set amid perhaps the richest pre-historic landscape in Europe. The entire country around is important, both as the present setting of the monument and as containing the fragile evidence of the ancient setting. Nobody should dig anything round Stonehenge without supervision.

This year the National Trust, English Heritage and 20 other land-owners took out the injunction to stop the festival. The A344 is closed for the moment by dumps of gravel and so are various field roads. Police are everywhere, many with riot shields; there are security guards and double coils of barbed wire that would suit a military base. It is an odd way to see an ancient monument.

The military aspect is there, even outside June. The car park is will screened by trees; but the ticket office, and the bookstall and refreshment bar in a bunker, and the under-road tunnel to the monument—not unlike those at Hyde Park Corner or Oxford station—are bleak concrete brutalism. At the bookstall things are handed out through openings to the window, as if at the bank.

When you emerge at the stones, the sense of alienation is strong and it takes time to calm down enough to begin to enjoy it. This may explain why half the visitors stay for less than 30 minutes.

Then there are the sentry boxes, and a white rope to bar access to the grass between the stones, which is a regret to many (though you can go on if one or two days a week in the winter). But as you walk round the outside (and despites the ceaseless traffic of the A303 and everything else), you slowly become accustomed and start to think back to the world that put up the stones. The longer you stay, the more it grows on you, particularly if you have gone round to the far (east) side where there are fewer people. The light and the stones change. Birds are nesting in the central trilithon. The wind blows in the grass. The sheep and cows are the right sort of farming and as permanent as the stones. The bunker across the road is so impermanent.

So what is being planned? The Stonehenge Study Group made its report a few months ago and we might soon hear which of its options will be chosen. It is a thorough document, much concerned to put Stonehenge in its landscape: the modern for visitors and livestock, and the ancient and holy one.

The group suggests a network of footpaths to give access to the other monuments and earthworks that form the ancient setting; and kinder treatment to Stonehenge itself by shutting and grassing over the A344 (to which there could be local opposition) and moving the fence further out. A low earth bank could be built along the A303 to the south of Stonehenge that would eliminate the traffic but not spoil the longer view. An alternative that struck me would be to move the whole road a few hundred yards to the south, taking it through the natural hollows

A new visitors centre is proposed that could cope with at least 1m people a year. Possibilities are sites about three-quarters of a mile away, to the north-west, by a plantation of trees; or the north near the southern boundary of Larkhill army camp. The car park would be there as well as everything needed to explain the monument.

There would have to be a bus service for the disabled and elderly, but for most people it would be a pleasant walk to reach the stones. If this began at Larkhill, it would pass some of the archaeological landscape and would be gently uphilt to the monument, and downhill back to the car. A visitor would approach the monument with something more like the spirit of the ancients; the stones and the country would have time and space to make their impact. The walk would be just long enough to deter some, but much less taxing than, say, that from the car park to Housesteads on Hadrian's Wall, which more than 100,000 people do each year.

Stonehenge needs permanence around it and isolation from the worries of daily life; then, people might stay for more than half an hour. I should like to see it open for two extra hours in the summer with a limited number of (bookable) tickets, when people could walk through the whole monument—perhaps early in the evening, when most visitors would have gone. Local hoteliers would like that, too, as some of these latecomers would have to spend the night

I should also like to see the white rope changed for something, such as a green or grey chain, that suits the permanence of the stones better. And some park benches at the back of the path round them would allow us to sit, and look, and wonder which is the best thing to do at Stonehenge.

Gerald Cadogan

CHESS

FIDE president Florencio Campomanes has conceded Russian demands that the world title rematch between Anatoly Karpov and Gary Kasparov should be in Moscow, starting September 2 over a maximum 24 games. Campomanes announced his decision after spending much of May commuting between London, Moscow and Marseilles as the rival contenders pressed their case.

Marseilles had made the highest bid, the Soviet Chess Federation had the players, and neither was willing to share with the other or with the GLC in London. British officials, who would have settled for one-third of the series, now rest their hopes on a Kasparov victory. If he wins, there is a "revenge match" scheduled for February-March 1986, just a few weeks before the GLC's intended dissolution.

Moscow's insistence on retaining exclusive rights in the 1985 contest sits oddly with the Gorbachev government's professed wishes for better relations with Western Europe. Sending the two Ks to London and Marseilles for a month each would have earned high profile publicity for Soviet chess pre-eminence plus some £250,000 in hard currency.

Were they afraid that Kasparov would add to his outspoken comments at the notorious February Press conference, or even that he might defect The latter is hardly likely since the 22-year-old challenger would still have to return to Moscow for the final part of the match and his life's ambition of the world title.

Karpov has asked that the return should be controlled by Soviet referees, but Campomanes is unlikely to give way on this point. Despite evidence from the 1984-85 series that USSR officials prefer Karpov, the champion will be the underdog in September in view of his weak finish in February and rumours of his ill-health.

Kasparov, in contrast, showed brilliant form last week when he defeated West German No 1 Robert Hubner 4½-1½ in a match in Hamburg.

An early knight raid dislocates the white position, then Hubner's king is chased across the board into a mating net.

White: R. Hubner (West Germany)
Black: G. Kasparov (USSR)
English Opening (1st match game 1985)

1 P-QB4, P-K4; 2 N-QB3, P-Q3; 3 P-Q4, PxP; 4 QxP, N-KB3; 5 P-KN3, N-B3; 6 Q-Q2, B-K3; 7 N-Q5, N-K4; 8 P-N3, N-K5; 9 Q-K3, N-B4:

Here the game really starts. White's rare opening system plans to control the centre at long distance via fianchettoed bishops, while Black harries with his knights. White's ninth improves on Q-Q4 of Taimanov v Smyslov, 1967, where Black gained time by a N-QB3 attack on the queen.

10 B-QN2, P-QB3; 11 N-B4, N-N5; 12 Q-Q4, N-K5:

White's calm formation is suddenly wrecked: if 13 QxN? Q-R4 ch; 14 K-Q1, NxP ch. So the white king has to run the other way, to a file which Kasparov can open for his rooks.

13 B-KR3, Q-R4 ch; 14 K-B1, N(N5)xBP; 15 BxB, PxB; 16 NxP, K-Q2.

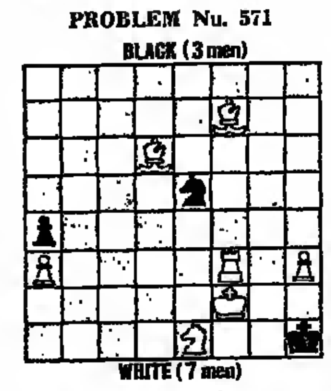
Not NxR? 17 QxN threatening both N-B7 ch and QxN— but now Black plans to strengthen his attack by Q-KB4.

17 N-R3, NxN; 18 QxN, R-K1; 19 N-B5 ch, QxN; 20 Q-N4 ch, K-B2; 21 QxN, B-K2; 22 BxP, KR-B1 ch! At modest material cost, Kasparov has all his pieces trained on the white king.

23 BxR, RxB ch; 24 K-K1, Q-B7 ch; 25 K-Q1, Q-Q5 ch; 26 K-B2, Q-K5 ch; 27 K-Q2, B-N4 ch; 28 K-B3, Q-K4 ch; 29 resigns. If 29 K-Q3, Q-K6 ch or if 29 K-N4,B-Q7 ch; 30 K-R3, B-B6 when White is sooo mated.

PROBLEM No. 571

BLACK (3 men)



WHITE (7 men)

White mates in three moves at latest, against any defence (by H. Karrer, Basler Zeitung 1979).

Solution Page XVI

Leonard Barden

BRIDGE

BOTH MY example hands today are concerned with defence. The first one comes from Martin Hoffman's new book, *Defence in Depth* (Faber cased £9.95, paperback £3.95). This book is most instructive, but let me warn that some hands will tax your powers of analysis to the utmost.

Let us study *Well Timed Offer:*

N
♠ 10 6 5
♡ Q 10 2
◇ A 6 5 4
♣ Q 7 2

W
♠ 9 8 4
♡ A K J
◇ Q J 9
♣ A J 10 6

E
♠ 7 2
♡ 9 8 6 5 4
◇ 8 2
♣ 9 8 5 3

S
♠ A K Q J 3
♡ 7 3
◇ K 10 7 3
♣ K 4

Playing five-card majors, South deals at a love score, and opens the bidding with one spade, West makes a take-out double, and North raises to two spades. Now the opener makes a trial bid of three clubs, and this encourages North, who is not ashamed of his hand, to raise to four spades.

West leads the Ace of hearts, on which East drops the four and South the seven, then switches to te four of trumps. Winning with the Knave, the declarer at once returns the three of hearts. West takes his King, and East follows with the five. The discards suggest that East started with five hearts and South with a doubleton. Let us put you in the West seat—what do you lead now?

If you return another trump or a diamond, South will win and lead the four of clubs to catch you in an Avoidance Play. If you win, you set up two club tricks for the declarer; if you duck, the Queen wins, and the club King is discarded on the heart Queen—South *knows* what he wants to discard. Your correct play is to lead a heart at trick four and give South the Queen before he knows what he wants to throw away on it.

Difficult—did you solve the problem?

My second hand occurred when I was playing *partie fixe* with Derek Rimington. Take a look at *Partnership Courtesy:*

N
♠ K 7 3 2
♡ 10 7 6 4 2
◇ 8 7
♣ 9 6

W
♠ 10 9 8
♡ Q J 5 3
◇ Q 3
♣ 10 8 3 2

E
♠ Q 6 4
♡ A 9
◇ K 10 6 5 2
♣ K J 5

S
♠ A J 5
♡ K 8
◇ A J 9 4
♣ A Q 7 4

With both sides vulnerable, Derek dealt in the East seat and bid one diamond, South overcalled with one no trump. I passed, and North said two hearts, a weak take-out, and South rebid three no trumps. North should have tried a Stayman two clubs. He can rebid two hearts, showing five cards, over the response of two diamonds, and South can pass. As it was, his jump to three no trumps was little short of an insult.

I decided not to lead the diamond Queen—I thought it might lose a tempo—but my choice of the spade ten was an unhappy one, for it allowed South to cash the first four tricks in that suit. The diamond eight was returned from the table. I won, and switched to the heart three. Derek won, returning the nine to South's King.

The declarer led his diamond Knave, East won, and had to decide on a diamond or a club return. Feeling that a diamond would make it harder for me to discard correctly, he led the Knave of clubs. Declarer won with the Queen, and cashed the Ace on which Derek, of course, jettisoned his King. South's only hope was that East had the club ten, so he led another club. I won and cashed two hearts to put the contract two down.

E. P. C. Cotter

Collecting

For the Empress's table

IN A FASCINATING article in the latest issue of *Garden History*, Peter Hayden makes a contribution to our slowly-growing knowledge of one of the most famous dinner services in ceramic history — the so-called "Frog" service supplied by Josiah Wedgwood and his partner Thomas Bentley to Catherine the Great of Russia in 1774.

Wedgwood was fortunate in having admirers in diplomatic circles in St Petersburg. The enthusiasm of one of them, Lady Cathcart, wife of the British Ambassador, was especially infectious: and the Empress and the Court, through the intermediary of the Consul, Mr Baxter, ordered quantities of the kind of Wedgwood ware they encountered in the Embassy.

Finally, in 1773, Catherine commissioned Baxter to order a huge creamware table service for use in her new staging palace between the Winter Palace and Tsarskoe Selo, currently in course of planning by the architect Yuri Felten. Mr Hayden points out that the house, which Catherine was to christen "Le Grenouillere," was one of the earliest examples of Gothic Revival architecture in Russia and was based on the 16th century Longford Castle, in Wiltshire.

This characterised Catherine's marked anglophilia in matters of taste. In particular she loved the irregularity and informality of English gardens, a passion she confesses in one of her charming, witty letters to Voltaire: "en un mot, l'anglomanie domine dans ma plantomanie."

The service, intended to complement the new building, was also an expression of her anglophilia. Each piece bore the device of a frog, the symbol of the palace, and each was enamelled with views of English houses and their surrounding scenery. Perhaps Catherine originally asked specifically for buildings in Gothic style, for Wedgwood complained in a letter to Bentley: "As to our being confin'd to Gothique buildings only, why there are not enough I am perswaded in Great Britain to furnish objects for this service."

Gratified as Wedgwood was by "My Great Patroness in the North," the royal commission brought worries also. There was the matter of cost. Lady Cathcart and Mr Baxter urged him to keep his price down; but Wedgwood was realistic about the time and expense involved in making so many original paintings.

There were other risks with so volatile a monarchy: in a letter to his partner Wedgwood contemplates the dangers of "the Death of the Empress, a revolution in her Government or *ideas*, a War, or bad understanding with our Government. The Death, or change of the present Consul, or even our offending him (a very possible chance, you know) may cause a countermand of this order, unless it be given in some way to make it binding."

Mr Baxter suggested the service might be made for a mere $400 or $500: "Indeed it may," snapped Wedgwood; "but not *fit for an Empress's table*, or to do us any credit at double that sum." Eventually direct appeal was made to Catherine, who seems to have made it clear that she did not want the work skimped; and Wedgwood and Bentley set to with a will.

The usual colour of Wedgwood's creamware glaze was strengthened with the addition of sulphur to make a richer background for the sketches, and a whole team of enamellers — many of them well-educated young ladies of good family — was set up in Chelsea, where the ware was shipped for painting. Some of the views were taken from published sources, but Wedgwood despatched an artist named Stringer, equipped with a camera obscura, to make new drawings of the seats of the gentry. Peter Hayden has noticed that there is an understandable predominance of those stately homes that were within convenient reach of Etruria and Chelsea.

Making these views required great tact. Wedgwood generally felt obliged to present copies of the drawings to the owners of the houses; and he recognised that he risked a good deal of good will in the selection and exclusion of mansions. Landowners might even be offended to find their houses portrayed on a modest saucer or dinner plate instead of a serving dish or tureen.

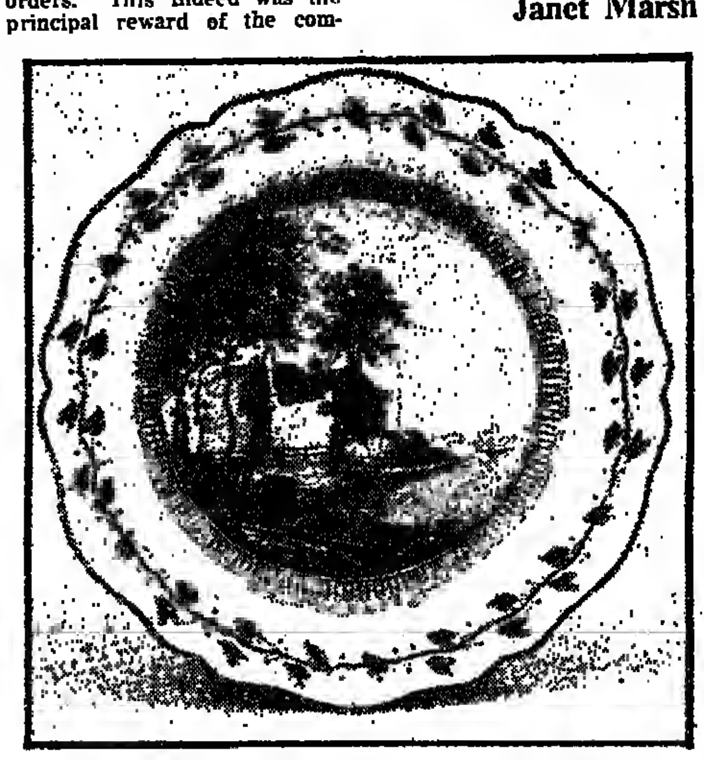
His fear of giving offence in this respect even made him reluctant to put the near-finished service on show in his new Greek Street premises; but he was finally persuaded to do so in June 1774. It proved the show of the season, and brought the firm international publicity and orders. This indeed was the principal reward of the commission. The nominal profit on the final price of £2,700 was less than £300, but even this did not take into account the immense amount of time, travel and effort the partners had expended on the service.

Mr Hayden's research generally relates to the Russian history of the service. It seems to have been delivered by October 1774, when Wedgwood's account was settled; and there are records of its use at various banquets up to the time of Catherine's death in 1796. After this the imperial family made little use of La Grenouillere, which reverted to the name of Chesmesky Palace and was converted into an almshouse for army veterans in 1817, after which the Frog service was packed up and removed to Peterhof.

It was practically forgotten until 1909 when Dr G. C. Williamson, whose interest was aroused by discovering that his own Hampstead house was featured on the service, wrote a monograph on it. Perhaps as a result, Tsar Nicholas had the service brought out of storage. By this time some 180 pieces had vanished, by theft or breakage; but the rest was transferred to the State Hermitage Museum, where a substantial selection has been on continuous exhibition at least since the time I first saw it there, 25 years ago.

A few trial or imperfect pieces of the service survive in public collections in this country; and once in a blue moon a hitherto unknown piece turns up to excite collectors. The most recent such find was the dessert plate illustrated here, with a painting of Westcowes Castle in the Isle of Wight. It was bought in an antique shop on the island for £15 and sold at Christies, 18 months ago, for £8,640.

Janet Marsh



A Wedgwood Creamware trial dessert plate for the Catherine the Great service. Westcowes Castle, c1773, sold for £3,640.

Fishing

The Mayfly put to the Test

THIS YEAR'S Mayfly hatch started rather slowly on my part of the Test. A few specimens were to be seen from the first week, but it really got going from about the 18th. However the fish did not seem to be too keen, letting the fly pass over them without molestation. I changed over from the smaller pheasant tail to a Mayfly only around the 21st when the major hatch began.

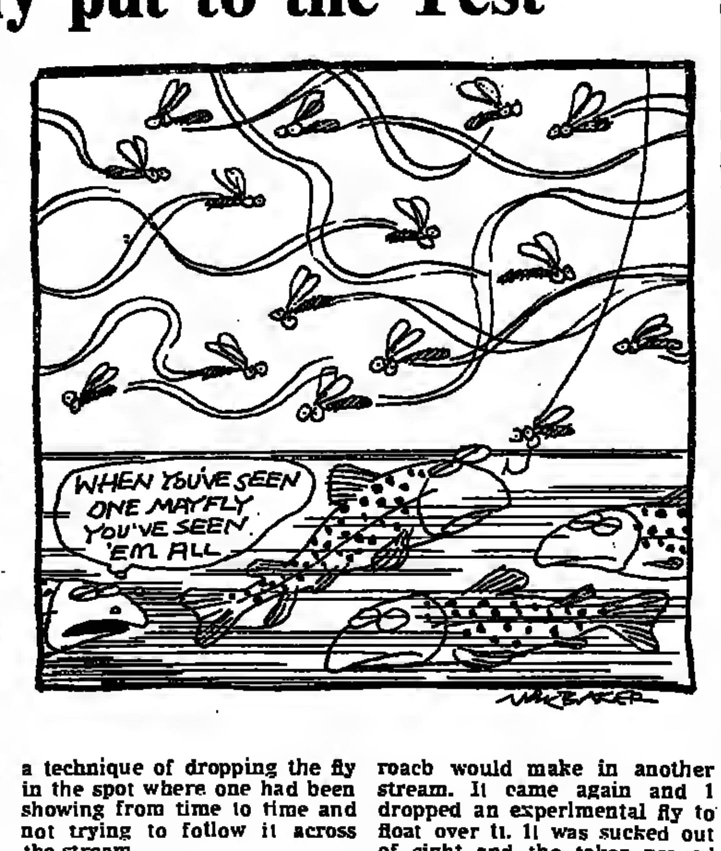
In the following days there was a steady progression of the insects down the river, even during the heavy thunderstorms, but remarkably few takers. Far more excited were the ducklings, oblivious of the warnings about thunderstorms. They chased over the surface grabbing insect after insect eating their own volume in flies every half hour, or so it seemed.

The fish were much more choosy. I spent a long time sheltering from the rain in the car watching one pool and noticed a spasmodic riser without apparent pattern. He would let a dozen or so pass over him and then there would be a forceful head and tail rise and he would lie quiet again. As far as I could see he was not taking the big insects which forge down stream with their wings erect, but either hatching or spent flies.

He had been taking no notice at all of my nicely dressed fly as good an imitation of the real thing as any I have seen. So I replaced it with one that had been in my box for several years — you know the sort of thing, with moth eaten hackle and no colour in the body. Well greased, this floated just on the surface and was an immediate success — a 3 lb Rainbow in good form.

On another part of the beat the river runs over a gravel bed, very like some of the New Zealand rivers I had been fishing. This pool was said to be full of fish and my informants were right. The stream rippled to the extent of being dazzling, and it was too swift for the rings of a rise to last more than a second or two.

There were plenty of fish there again, taking what I guess were hatching fly. They were moving fast too and probably cruising from one side to the other. In the end I developed a technique of dropping the fly in the spot where one had been showing from time to time and not trying to follow it across the stream.



The water was too coloured after the rain to see where they were. The only problem was drag in the fast current, and I found that as long as I retrieved fast, the fly floated naturally and this was helped by dropping a loose line on the water in the first place.

Incidentally, downstream fishing is forbidden on the Test but I must say that I have never found it as easy as upstream as a means of fish deception. The essential is to have the fly floating naturally. I caught four fish there from 3¼ lb downwards and was glad to be using 6 lb breaking strain nylon in that current.

The next outing was in another and very different part of the river—a broad main stream with plenty of fly with only duck to eat them and a muddy looking carrier rather slow moving. I walked down the beat and saw nothing on either side and then on the carrier I saw a slight movement in the water under an overhanging May tree, about as much movement as a roach would make in another stream. It came again and I dropped an experimental fly to float over it. It was sucked out of sight and the taker proved to be a small brown trout about 1½ lbs.

During the next half hour I caught two more of these in exactly the same circumstances and finished off with one I saw rising just above the sluice which feeds the carrier. The main difference between the hatch this year and others is that the fish showed nothing of the enthusiasm of previous years when they used to make the water boil, probably because the water is still so murky and on the cold side.

This is the first time I have had a full week on the Mayfly. Normally with great self-sacrifice I hand it to my partners. I certainly restocked the deep freeze but I would sooner have a period of uncertainty with smaller rewards and the need of a bit more skill.

I hope this year's extraordinarily good hatch won't spoil the rest of the summer as it often does when the gorged trout won't move for anything.

John Cherrington

Gardening

THE DANGER of really damaging frost in early June is remote, making it safe outdoors to plant all those useful exotics that will flower non-stop until checked by the cold in autumn.

The bedding geranium or zonal pelargonium, because of its toughness, reliability and variety, is my first choice. There are now strains that come completely true from seed, as well as all the old varieties, including those with variously coloured leaves, although these have been neglected lately because they cannot be raised from seed.

There are also the ivy-leaved geraniums which are naturally trailing plants, but can — with no difficulty at all — be trained up screens, trellises or even onto other plants. I have seen the old variety Galilee taking over a cypress hedge, covering it with its lovely warm pink flowers. Alternatives to the eye-dazzling geraniums are the richer crimsons and carmines, as well as pinks, whites and even a speckled geranium.

In Edwardian days the white marguerite was the natural partner for bedding geraniums. Then it dropped out of fashion, a pity because it is a good, easy-going plant which flowers non-stop all summer. Now it is difficult to find, although the coloured varieties of Jamaica Primrose, with light yellow flowers, and Mary Wootton, a rather wishy-washy pink with an anemone centre, are available from some specialist nurseries.

No such difficulties beset Begonia semperflorens, a plant which deserves its "ever flowering" title since it will bloom as long as the soil and air remain moderately warm. All manner of varieties have been bred, some with coloured leaves, larger flowers or longer stems. I still find it rather unexciting except for the odd, original use, such as in a rather dark back garden of a row of terraced houses where little pools of pink begonias had been planted in circles of yellow-leaved helxine or "mind your own business." It lit up the whole place.

Impatiens, the summer bedding plant that does best in the shade, has been enormously improved in recent years. Not so long ago it was known as Busy Lizzie, a useful house plant that would, with a little luck, keep on flowering throughout the year. But old Busy Lizzie was a full 18 ins high and inclined to flop. The new bedding varieties are no more than 7 ins high and spread outwards to cover the ground completely with their brilliantly coloured flowers. They will grow in full sun just as well as shade, provided they do not become too dry.

The old tall, sweet tobacco with white flowers also grows well in semi-shade, but the new, much more compact varieties with carmine flowers seem to perform best in the open. They are cheerful, easily grown plants, but they lack the scent which made the old sweet tobacco such a favourite.

Salvia splendens is often called the scarlet salvia as if that where the only colour available. In fact it will produce much less aggressive colours, including some very deep purples, but the public will have none of it. Salvias are expected to be eye dazzling and the purer and more unshaded the red the better. Here the market rules and if you want purple salvias you will have to raise them yourself from seed.

The greatest range of colours is provided by petunias, which have now been improved to their limits. I like almost all of them: their widely trumpet-shaped flowers have character, although most suffer badly from rain. Those that bear the prefix "Resisto" do not escape damage but do recover quickly. A sunny, rather dry summer brings out the best in petunias.

Likewise for marigolds, and both the French and the African types. As for zinnias, they are so dependent on sun that I sometimes wonder whether it is worth planting them anywhere in Britain except in the south. French marigolds I like because the flowers are not too big and they are often richly covered in bronzy crimson, a colour not found often in the garden. The big mopheaded African marigolds seem, by comparison, clumsy and crudely coloured (yellow or orange), but they are immensely popular. The tiny flowered, feathery-leaved varieties of Tagetes signata, though really marigolds, are never sold as such but always as tagetes.

Dahlias have everything: great variety in height, flower size, shape and colour. The huge exhibition varieties displease many people, but so much else is available. There are little pompon flowers that look as if they are carved out of wood: floppy semi-doubles which have been compared to water lilies; collarettes with ruffs of small petals separating the broad outer petals from the central disc; cactus dahlias with spikey petals; and a great many more. My garden would be much poorer after July without dahlias.

Arthur Hellyer

AT THE cheaper end of the scale, Marida Hats has prodoced low-cost versions of this summer's most popular styles. TOP: A soft, floppy, bread-trimmed fine straw much like the ones that hit the exclusive boutiques last year. This year, they are available at more accessible prices to every one. Wear it with the front flipped up and fastened with a hat-pin. Marida Hats are stocked by most major department stores. The straw is £12.50 hut look out also for a charming cloche shape that comes trimmed in about 20 different colours and sells for about £25.
ABOVE: A jaunty cocktail hat by Philip Somerville: in white, cream, navy or black, it has a small crown and is trimmed with fine mesh net. £115 from Liberty of Regent Street, London, W1.

Where did you get that hat?

Lucia van der Post

HOW TO SPEND IT

HAT'S as anybody with half a wit must have noticed, have staged a comeback. It used to be left to the Queen, Tory women's conferences, gardeo parties and Royal Ascot to keep the milliners in business. Todoy hats are everywhere. The young no longer see them as sybols of cvapitalism, middle-age aod entreoched views: for them they are authentic street-fashion, yet another witty prop to make their own.

Hat-wearers seem to line up in two main camps — there are those who see them as a big occasion statement (as American journalist Martha Sliter puts it: "A hat is the difference between being dressed and being dressed up; it's the difference between looking adequate and looking your best.") and those who see no reason why hats should not be worn every day.

Lined up on the first corner are the couturiers of the hat world, the grand designers who charge anything from £60 to well over £200 and whose business it is to make sure that the price is justified. These are the people who will make for you a hat of finest silk or straw, every flower and every trim will be individually made by hand, you will be able to match your hat to your dress exactly and you can be almost sure you will never see another exactly like it.

If you then add artistry the extra ingredient that turns a utilitarian piece of everyday apparel into a little bit of magic you will see why even today the stairs to the grand hatters' workshops are well-trod.

The grand designers are in the business of selling magic and allure. I have often quoted David Shilling's motto, because I can't think of a hetter way of summing up his philosophy. "If a hat isn't going to make you beautiful, why wear it?" That, after all, is what explains the fancy prices. This is what David Shilling, Frederick Fox, Simone Mirman, Stephen Jones (the new young hatter to the well-heeled avant-garde) and John Boyd are all about.

The styles they purvey are all slightly different. David Shilling is the dramatic one (hut do not be alarmed, his hats are not nearly so outrageous as the ones his famous mother wears). Don't go to him if you would rather not be ooticed, but if you can carry off his hats with panache you'l never regret it. He's a charming and enthusiatic young man who will go to great trouble to put you at your ease.

Frederick Fox and Simone Mirman are what you might call establishment designers they've had years of making generations of women look their best. The look they purvey is flattering rather than dramatic, gentle rather than "look at me."

Stephen Jones, it has to be said, is quite often difficult to wear — but if you can, what a statement you'll be making. Everybody will be left in no doubt that you are wearing the very latest thing.

John Boyd bridges the two worlds. Long one of our most distinguisbed hatters, he has kept his ooe-off designer business going at his workshop at 91 Walton Street, London SW3 and his prices there start at about £90 and go up to about £120. He is credited with being one of the best dyers of straw in the business and there is no shade so subtle that he cannot capture it.

If you long for the John Boyd touch hut can't afford his one-off prices, he last year launched what he calls his boutique collection. Shops such as Fenwick, Liberty and other big department stores now sell his wide-brimmed straw, his classic simple shapes at prices that mostly range around £35. For classy flattery at moderate prices you could hardly do better.

Patricia Uoderwood is a designer whose prices are in the couture class but the hats are strictly off-the-peg. She it is who designed last year's most photographed hat — the soft, soft, wide-brimmed straw, floppy as a wilting rose. Sold exclusively by Browns of South Molton Street, London W1, customers winced at the price (£160) but could not resist buying. It is, indeed, one of the most universally flattering of shapes and those who don't feel obliged to move on to something else once a certain look becomes more accessible will be happy to hear that this year it is possible to buy the "floppy as a wilting rose" look at a wide variety of prices.

The Hat Shop of 58 Neal Street, London WC2 sells them from £17 up to £59, depeoding on the material used and the fineness of the straw.

The Hat Shop is a great believer in hats for everyday wear. It sells primarily to younger age groups and reports that 1920s' cloches are still very much the look this year — to go, of course, with all those long 1920's skirts—but that otherwise Breton shapes with upturned brims are also selling well.

For those who find it most convenient to buy from department stores the good news is that millinery departments, once dense with gloom, are now alive and bustling. Several very fine designers are providing beautiful flattering aod wearable hats at middle-range prices — look out for labels by Viv Knowland (her shapes are inimitable), by Philip Somerville, by John Boyd.

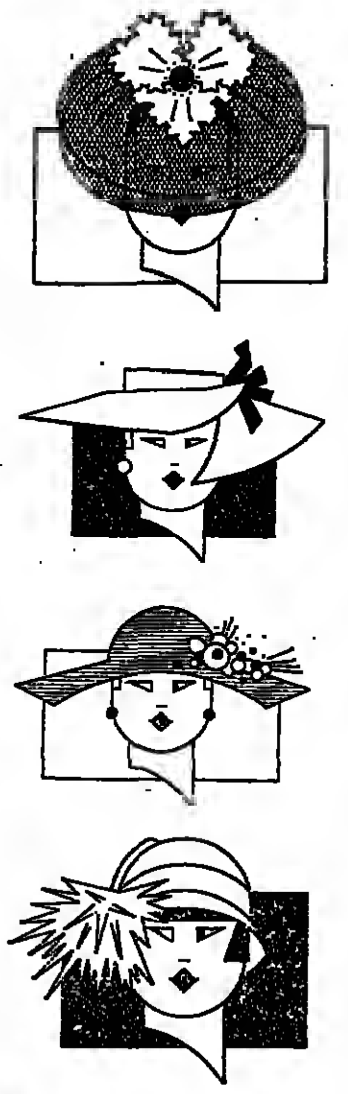
It is the trimmings that give away a cheap hat so if you cannot afford to spend a great deal, aim for a good shape in as fine a straw as you can afford and have it simply trimmed, perhaps just with ribbon. The Hat Shop will always retrim a hat for you so that if you buy a fine neutral straw

Men too, it seems, are becoming more hat-conscious than they have heen in recent years though I doubt if they will ever again be as compulsory a piece of dress as they were in Gissing's day. Paul Johnson in his latest book of essays refers to one of Gissing's stories which revolves around the fact that a man, having lost his hat, turns to crime to buy a new one, since it was quite impossible to walk about a big town without a hat on. Bare-headed men would be hooed.

Happily today, no one is hooed for sartorial misdemeanours hut the ritual surrounding men's head-gear still seems more formal than that for women. For smart weddings and Royal Ascot top-hats are still the thing—pale grey now unless black but if it is black you have set your heart on, take note that the pure black silk that goes into the pukka version is no longer made (the factory closed down six years ago) so second-hand ones are reaching premium prices of around £250 if and when they can he found. New ones, in a silk mixture, sell at Herbert Johnson, 13 Old Burlington Street, London W1, for between £130 and £250.

For less formal occasions the Panama (confusingly now made in Ecuador) is still tops. The most traditional shape of all, called the Folder (though, alas, Robin Benson of Herbert Johnson warns that they can no longer be folded as even Panama isn't what it was) has a ridge right down the middle and sells for between £30 and £64 depending on the quality of the materials.

Together with the trilby shape (called the Nassau, it sports dimples in the side) and the Monte Carlo (a wider brim and no dimples), it is worn for summer events such as watching cricket and in particular for racing at Goodwood



THE PERFECT hat for playing the Femme Fatale, the Other Womao, or even a somewhat alluring, though mysterious, Mother of the Bride. An elegant confection consisting of small black cap, fine black mesh veil all topped with a giant red poppy. By Philip Somerville, £69.96 from Feowick of Bond Street, London W1.

ANOTHER VERY sophisticated hat by Philip Somerville. In sculptured straw, white, navy or black trimmed with a contrasting colour (black, navy or white). It requires some panache to wear. £159 from Libery of Regent Street.

IMMENSELY flattering floppy navy straw, given texture and interest by white stitching and a confection of white and green leaves and flowers. Easy to wear, would suit almost anybody. By Crestion La Mouche, Chapeau Jeune, it is £39.95 from The Hat Shop, 58 Neal Street, London WC2. Also available in black, cream or red.

AN ELEGANT version of the 1920s' look — a fine white straw cloche (hut you also can buy it in cream, navy or black) trimmed with a flourish of cream ostrich feathers, also by Philip Somerville. Perfect with this year's fashions, it is £75 from Liberty of Regent Street, London W1.

Drawings by Pauline Rosenthal

Trevor Humphries

VERY ELEGANT flat-crowned hat by Viv Knowland. Much more formal than most of her fine straws, this design is covered in finely finished cream silk and trimmed with a cream bow. £79 from Harvey Nichols of Knightsbridge, London SW1.

POSTSCRIPT

Etching by Picasso, "Le crapaud"

Raise a finger to help

IF YOU'VE always wanted to attend an auction but haven't quite dared, why not have a go next Wednesday, June 12, when you combine a chance to see (and bid for) some exceptionally rare and beautiful items with the knowledge that you'll be helping one of our newest and most worthwhile charities?

Help A Child To See is associated with Great Ormond Street Hospital for Sick Children, and its basic aim is to establish a research, teaching and care centre for blind and partially sighted children. The initial objective is to raise £1m to build the centre, and Wednesday's auction is just one of many fund-raising events.

The sale will be held in Middle Temple Hall and entrance will be by catalogue only. They cost £15 and can be ordered from Mrs Walter Goetz, 19, Alexander Place, London SW7 2SG. Having paid for your catalogue, you are then entitled to attend the champagne reception — which starts at 6.30 pm and lasts for an hour, all in the lovely Middle Temple setting — before the start of the main event, the auction, at 7.30.

There is a mouth-watering selection of things to bid for, ranging from a Zandra Rhodes or Jean Muir dress to a trip to Tiger Top Jungle Lodge in Nepal for two. There are some miniature glasses and a decanter engraved by David Maude-Roxby, whom Sotheby's of New York recently hooou red with the first-ever show of the work of a living artist.

You could bid for a portrait of the person of your choice to be done by Frances Baruch, or perhaps you would like to own one of the several works of art on offer. There is a fine Chagall lithograph, "Naomi et ses belles-filles," or (pictured above), the Picasso etching, "Le Crapaud" taken from a group of 31 illustrations to Buffon's "Histoire Naturelle." There are cases of wine, including champagne and port, and a rare Chia Ch'ing jade carving.

If you want to view the items in advance, you can do so at Bonhams, Montpelier Street, London SW7 on Monday, June 10, from 10.30 am to 5.30 pm; on Tuesday, June 11 from 9 am to 7 pm; and on Wednesday, June 12, from 9 am to noon. And if there is something for which you really hanker, and you can't make it to the auction, you can always leave a bid with Bonhams.

ANYBODY handy with a needle or sewing machine might like to know of two sources of unusual materials. Regular readers may recall that Ian Mankin, of 109 Regents Park Road, Primrose Hill, London NW1, sells wonderful old-fashioned materials like calico aod mattress ticking; now he has a special summer "white promotion." In other words, he has a collection of the sort of white materials that are not easy to find in ordinary fabric departments, many of them at exceedingly good prices.

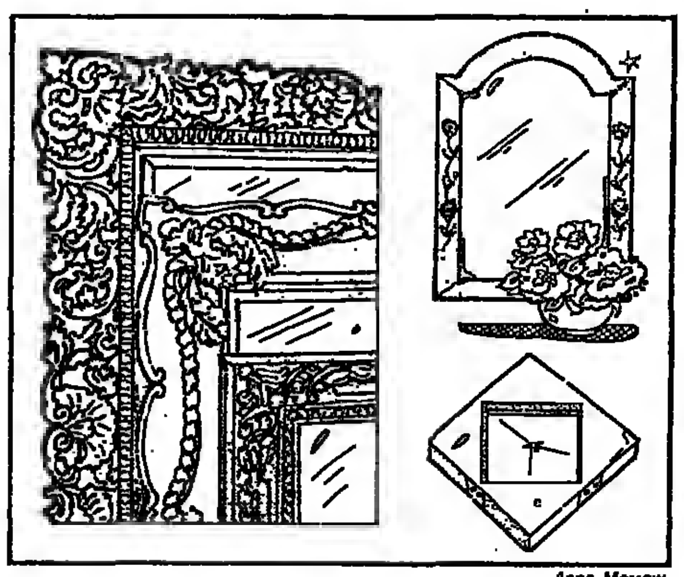
Choose from dress lioen at £11.20 a metre, or suit linen at £12.80 a metre, for fine formal clothes. There is Swiss cotton sateen at £7.80: while at the cheaper end there is a lightweight cotton drill for just £3.60, cotton airtext at £3.50, or a crisp cotton pique at £2.60.

Although these materials are aimed specifically at dressmakers, bear in mind that many of them would make wonderful curtains as well—it is far better and looks much more luxurious to use abundant quantities of a cheaper material than skimp on a more expensive one.

Dressmakers who have longed to own a Jean Muir, but can't afford her prices, can get something of the Muir look by buying the fabrics she sells at her shop at 61 Farringdon Road, London EC1. Open five days a week from 10 am to 5 pm, the shop sells the distinctive Jean Muir fabrics that are left over after she has made up her own collection. The Jerseys sell for between £7 and £11 a metre, as do the chiffons and silks, while the wools go for between £6 and £8.

FUN FOR the ontdoors are the new individual disposable barhecues that have been launched this summer. They are not things of great beauty, hut they are, however, light and easy to pack and carry. Although oot cheap, at £2 each, they are a good introduction to those who don't have a full-blown barbecue. Each unit consists of a 12in by 10in lightweight, vented aluminium container, rather like the ones frozen food comes in. It takes about 15 minutes to become hot enough to grill sausages, steak, chops or chicken pieces and it stops hot for around two hours so you can cook quite a few steaks in relays. After that, you have to throw it away. Steak Out, as the new device is called, is being sold in garden centres, hardware stores and some petrol station forecourts.

The fairest of them all



Anne Morrow

IF YOU have that happy knack of finding whatever little decorative piece for which you are searching in some antique shop of your acquaintance, you need read no further. If, however, you have beeo searching for some time for a highly decorative, special mirror and have failed to find exactly what you want, then Sharon Yardy could be just the person for you.

Sharon has made a speciality of collecting old and beautifully carved picture frames and mirrors, mainly from the 18th and 19th centuries. Originally, most of them were highly gilded but she strips them to the buff, so to speak, and reveals the true beauty of the wood and the carvings. One of these would do wonders for most rooms.

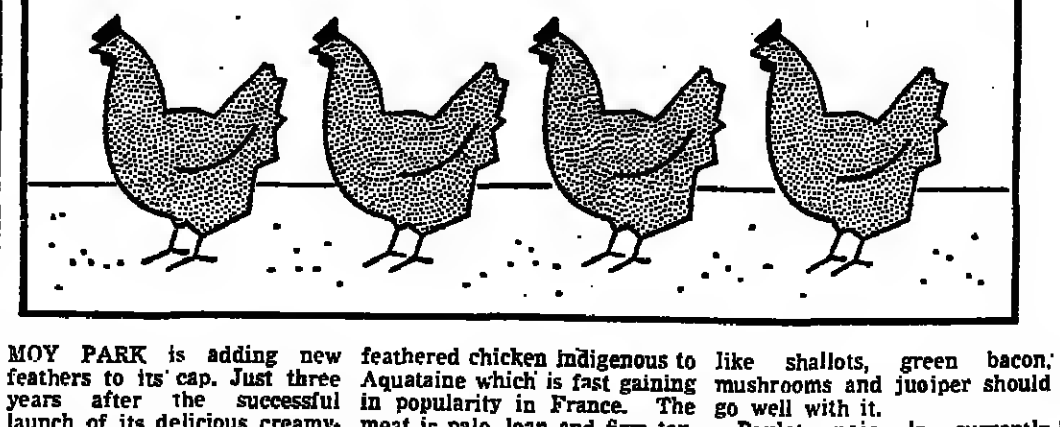
There is a very large selection to choose from, with a variety of different carvings (three differeot versions are sketched here at the right) from the very ornate to the relatively plain. There is also a big choice of sizes. Prices start at ahout £150 and go to £2,000 for something really large and very ornate.

The colection is in Sharon Yardy's own home at 17, Girdler's Road, London, W14, so you must ring to make an appointmnet first (01-603 8621).

If, however, you prefer a more modern style or want a mirror of a very specific size or pattern, Robert Lipfriend of Targitz Promotions will make it to order. He uses exotic hardwoods like teak, rosewood, oak and mahogany and, where necessary, brass fittings, or mother-of-pearl inlay; first, though, he visits his clients' homes to discuss what they want. For a very simple design his prices start at about £50, but if you want some inlay work (as sketched at right) it might be as much as £600, depending upon the woods chosen.

Contact Robert Lipfriend at 10 Woodside Avenue, Highgate, London N6 4SS (01-833 4420).

Chicken that tastes like it used to



MOY PARK is adding new feathers to its cap. Just three years after the successful launch of its delicious creamy-fleshed corn-fed chicken, this innovative poultry producer is introducing poulet noir and free-range chickeo. Good news for those who enjoy fine poultry and are keen to follow the current dietary trend away from red meats.

The free-range birds (which have the "real chicken" taste of nostalgic memory) are barely beginning to trickle into the shops, but poulet noir is already making its mark at Harrods and Selfridges, major branches of Waitrose and Tesco all over the country, and some Asda stores.

Poulet noir is the black feathered chicken indigenous to Aquataine which is fast gaining in popularity in France. The meat is pale, lean and firm textured, apparently the result of a high wheat content feed and a looger growing time than is usual for broilers.

The flavour is mildly gamey. Moy Park describe it as "reminiscent of guinea fowl."

I found it delicious for a summery supper, simply roasted with a stuffing of cream cheese, orange zest aod thyme tucked under the breast skin, served with game chips and an orange and watercress salad. I look forward to trying it with more robust flavours for cold weather eating—a full-bodied Burgundy sauce and ingredients like shallots, green bacon, mushrooms and juoiper should go well with it.

Poulet noir is currently weighing in at 2½-3 lb aod costs about £3 (marginally more than corn-fed chickeo) but I am pleased to hear that larger birds should become available shortly.

I only wish that Moy Park could be persuaded to sell these fresh birds complete with giblets. Giblets are of course highly perishable, I recognise that to include them would reduce the shelf-life of the product, but giblets are vital to making stock aod many good sauces.

Philippa Davenport

• BOOKS •

Clown and Lone Ranger rolled into one

CONFESSIONS OF AN OPTIMIST
by Woodrow Wyatt.
Collins £12.95. 364 pages.

THERE ARE two Woodrow Wyatts: and the world is a more amusing place for the existence of both of them. The first is Woodrow the Lovable Clown, known and appreciated by his formidable circle of notable friends and on more public display nowadays at his most exquisite at the splendid annual lunch of the Tote, over which he presides with such bonhomous delight.

The second is Woodrow the Fearless Fighter against all manner of scallywags, Communists and faint-hearted weasels who fail to see the necessity for the bluntest possible statement of "the truth," as perceived by W. Wyatt Esq. This hero, rather in the manner of the Lone Ranger, has stalked the political world in his two long careers as an MP for most of the years from 1945 to 1970 and as "hard-hitting" columnist in the Sunday tabloids.

It is not difficult to see why he never achieved the political success for which he yearned—far more seriously than those who only know him now would find easy to believe—in a world where government is controlled by party politics. Quite simply Woodrow is not a team-player. He exults in being the flamboyant individual, for whom tact is simply a form of moral cowardice and for whom compromise is both boring and ignoble.

In other words he is one of those politicians who ought always to have been a journalist: and he is one of those journalists who can write with a vigour, directness and simplicity born of an engaging innocence of the tedious complexities and fudges that make the world go round. He is for a better world and leaves the details to the experts.

All of which makes his *Confessions of an Optimist* immensely readable and utterly maddening. He is as ruthlessly frank about himself, as he is blunt about others and about everything. But there seems to be no malice. When Woodrow puts in the knife, it is for laughs, not for blood.

Of himself he reveals that:

He has "always half believed" in horoscopes [and reproduces his own in an Appendix];

he believes in ghosts;

"I have never liked physical effort";

"I have always been absent-minded";

he likes "showing off";

"I was no good at games and disliked most outdoor activities";

"I could never manage mathematics";

his father "did not appreciate the depth of my physical cowardice";

"I would rather have scored a century against Australia at Lord's than anything I have done in my life" [he claims R. E. S. Wyatt as a cousin]; and

"My next four years [1966-1970] in Parliament were a waste of time."

His other judgements are equally flat and unembroidered:

"MPs who voluntarily spend time in their constituencies are idiots";

"Tony [Crosland] had a rampant ambition, which he overreached. He saw himself as leader of the Labour Party and Prime Minister. He would have been no good at it. He lacked the wiles of a Harold Wilson and had insufficient robustness."

And Harold Wilson

"Was a disastrous Prime Minister, shielded the British from the inevitable meeting with reality, hypnotising them into voting for him, to a worse degree even than Macmillan" [if so, why berate T. Crosland for his lack of such "wiles"?].

There is an element of true pathos here. For, Woodrow Wyatt is yet another member of those two generations, born in the first half of the century, whose early idealism and serious interest in public life was terminally blighted by Gaitskell's defeat in 1959 and death in 1963, leading to what I have called elsewhere "the twenty years of the two Harolds," that ineffable era from 1956 to 1976 of shallow politics and trivial government. After it Woodrow may easily be forgiven for deciding that clowning was perhaps the best policy, though it is sad that he is too blinded by disillusionment to recognise that it was exactly at the end of that era—in 1976—that the tide turned back to seriousness and responsibility, not later.

But by then he had turned irrevocably to journalism—and other things. Despite his pride in his craft as a columnist he is not always reliable as a reporter.

He tells in his book a disobliging story about myself, which is fair enough except that he misses the real pith of the story as it really happened. He recalls that at dinner at his house I asked Lord Weinstock how to run a business, but obviously failed to believe or understand the great man's patient and lengthy reply.

Actually, the answer was extremely short:

"If you are to be chairman, appoint a finance director to spy on the managing-director; if you are going to be managing-director, seize the petty cash and allow no-one but yourself to sign cheques."

I understood, believed, remembered and acted on both principles.

Woodrow has forgotten completely the rather more significant moment at his table when nearly ten years ago the gist of monetarism (in its original, strict sense) was first unveiled over lunch to the newly-elect Leader of the Conservative Party. If that leaves me feeling like the man who first showed a map of the world to Genghis Khan, no such inhibition can have caused Woodrow to omit the tale, since he admires the lady inordinately and confesses that "I am a bit in love with Mrs Thatcher, platonically of course."

Such, indeed, are the confessions of an optimist!

Peter Jay

Zuleika on the arm of her grandfather, the Warden of Judas College, "blushing not in the long avenue of eyes she passed through. . . ." One of Max *Beerbohm's drawings in "The Illustrated Zuleika Dobson"* (Yale University Press, £12.95). This attractive book reproduces for the first time Max's own copy of the novel with the 80 drawings he made for it

Trying to fathom Mama

NOW TO MY MOTHER
by Susan Chitty.
Weidenfeld & Nicolson.
£10.95. 192 pages.

ANTONIA WHITE wrote the classic convent story, *Frost in May*. As Elizabeth Bowen pointed out, it cannot be called a classic school story, despite its setting and child heroine, because it is quite definitely written for adults. Yet there is a child-like quality about Antonia White's writing and life which she shares with the great English writers of children's books. There is the same unwillingness to accept life at the level of prosaic reality, and the same inability to make satisfactory adult relationships.

Although Antonia White lived until over 80, she only wrote three further novels. They are all highly autobiographical. In *The Lost Traveller*, her heroine has become a teenager, living unwillingly at home. *The Sugar House* tells the extraordinary story of her first unconsummated marriage. (She followed it almost immediately with a second, also unconsummated, topping that with a certificate of virginity from the Pope to facilitate an annulment.) Finally *Beyond the Glass*, tells the harrowing story of her entry into madness during her early twenties. She eventually made an unexplained and almost miraculous recovery but the experience remained as a black cloud over her life. Her reputation, therefore, rests on these descriptions of her early life, although a correspondence she carried on with an ex-priest, was published as *The Hound and the Falcon*. In spite of this small body of work she led her whole life as a writer, sitting at her desk for months and years, seeing life as material for her purpose, seeing the ordinary responsibilities of everyday life, children, for example, as threatening interruptions.

It is this difficult and talented woman that her daughter, the writer, Susan Chitty, has tried to pin down in *Now to my Mother*. If the fault of most filial biographies lies in over-indulgence, Ms Chitty is nothing if not original. At the start of the book she quotes a friend who described Antonia as "a rivet in a cream puff." Near the end of the book, she describes her mother's unsympathetic reaction to her own attempted suicide and nervous breakdown. Six weeks after she came out of hospital, Antonia threw her out of their flat. "You will leave this place within 24 hours. I will burn anything you leave behind. Except books." Clearly this book is in the nature of an exorcism but of a most clear-sighted and intelligent kind.

The preoccupations of Antonia's life: Catholicism, sex, love, madness and writing are examined, using not only Susan's childhood memories but the 26 diaries left by her mother. These, which will eventually be published by Virago are malicious, self-critical and very funny.

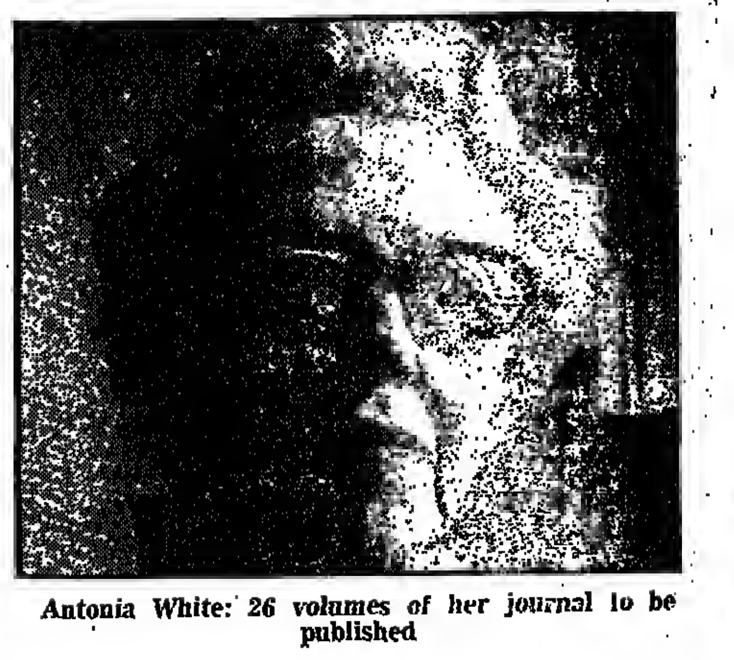
After her two unconsummated marriages, Antonia made energetic attempts to right the pendulum, producing Susan by one lover and Lyndall, after marrying another. Antonia's taste in men was catholic (the only time the lower case "c" is appropriate) and usually disastrous. It even included Bertrand Russell on the lookout, according to Susan, for some sexual encouragement from a youthful source. Not that she was ever a starry-eyed maiden: "The more I see of men, the less I understand them," she wrote. "They make the wildest proposals, cry like children, offer you the world and refuse to buy you a month's peace of mind." Which her daughter explains as meaning "a loan for next month's housekeeping." Antonia always needed to be in love and, even in her plump and matronly fifties, found young men who she could love and could love her. At least, temporarily.

In my list of preoccupations, I did not include "money" or "career." Yet one of the contradictions in Antonia's life was that while apparently only interested in matters of the heart, mind or conscience, and always terrifyingly unstable, she managed to function a lot of the time as a successful copywriter in advertising or, even under a pseudonym, as Fashion editor of *The Sunday Pictorial*.

Nevertheless this remains a book for those who read biographies for a better understanding of human nature rather than a peep-show look at someone else's world. At every stage of her life, her comments strike a chord, making one note afresh the similarity between odious selfishness and commendable honesty. In her late seventies she wrote, "Every year one of one's friends goes. Inevitably, one wonders when one will die oneself, and most of all how."

The answer was of cancer, in bed, after the Last Sacraments, in the presence of Reverend Mother Aidan.

Rachel Billington



Antonia White: 26 volumes of her journal to be published

Shaw galore- playwright pours out his heart

BERNARD SHAW:
COLLECTED LETTERS
1911-1925
edited by Dan H. Laurence.
Max Reinhardt. £25.00, 989 pages

G. B. SHAW was one of those rare individuals for whom no impediment, no block, no blur ever arose between the start of a thought in his mind and its impeccably complete expression on the page. Shaw wrote hourly and daily as a matter of course with a fluency which few of us attain even in our most inspired flights of conversation. His astounding energy and eloquence has long been recognised as the hallmark of his public writings, the theatrical and musical criticism, the political and social essays, the plays and prefaces. But for those who wish to come to terms with the private man, it has become abundantly plain, thanks to the labours of Dan H. Laurence, that the same unending stream of rational discussion, logical duelling, admonitory rhetoric, playful teasing, and downright bullying was also present in his correspondence. Many authors save their energy for their work and only turn to writing letters when they are tired. Shaw seems never to have been tired in his life. The whole man is in his letters as it seldom is, for example, in the terse notes which his fellow-Irishman, James Joyce, sent to his friends.

The editing of such a ceaseless letter-writer is a Herculean labour. Dan Laurence has been at it for a quarter of a century and has now reached volume three. It starts in 1911 when *Pygmalion* had been devised but not yet produced. It ends in 1925 with Shaw writing to Ramsay MacDonald about the imprisonment of British Communists, and then to a colleague about plans for production in Italy of *St Joan*. In the intervening years much of his best work was written and performed: the period culminates in his outspoken pamphlet *Common Sense About The War* which earned him the obloquy of the press and ostracism by many friends. Shaw's response was that strange black comedy, *Heartbreak House*.

Although the volume runs to nearly 1,000 pages it does not contain by any means all the letters Shaw wrote during the 14 years. Mr Laurence has made a judicious selection from them in which Shaw's professional concerns as playwright, director and pundit mingle with correspondence alive with personal joys and sorrows. Among the latter there is the extraordinary letter in which he describes the cremation ceremony at his mother's funeral to Mrs Patrick Campbell.

It is Mrs Pat who is the most regular recipient in the first part of the collection. Many of his love letters to her have previously been published, and even dramatised. Reading them now in the context of other letters and concerns, one marvels at their extraordinary virtuosity. Although she eventually married George Cornwallis West and left Shaw wounded in the most articulate way, to return to his wife Charlotte, she did create the role of Liza. Despite her triumph author and actress quarrelled violently. We follow the events leading up to the famous first night of *Pygmalion* from the author's point of view and learn throughout the book fascinating new aspects of his intentions in plays, scenes, characters. As far as the theatre was concerned he was always in control of events and unimpressed by established reputations. No author can ever have known more clearly what he wanted from his interpreters.

Mr Laurence has adopted a neat device to give minimum interruption to Shaw's divine flow. He dispenses entirely with footnotes and instead provides a brief explanation of references and allusions in a continuous paragraph before each letter. This works like a dream and preserves much of the alternating surprise, delight, shock, exasperation, and laughter which these letters must have produced when they were first opened.

Anthony Curtis

SIMULTANEOUSLY with the above volume the two earlier volumes of Shaw's letters, *Volume I (1874-1897)* and *Volume II (1898-1910)* have been reissued by the Bodley Head at £25.00 each.

Fiction

Freak don who crashed

A GLIMPSE OF SION'S GLORY
by Isabel Colegate.
Hamish Hamilton, £8.95,
153 pages

VICTORY OVER JAPAN
by Ellen Gilchrist.
Faber, £9.95. 277 pages

NO WORD OF LOVE
By A. L. Barker.
Chatto & Windus/The Hogarth Press, £9.95. 190 pages

SAIL OR RETURN
by John Mole.
Century, £8.95, 249 pages

AFTER THE triumph of *The Shooting Party*, Isabel Colegate has followed up with a collection of three longish short stories, each very different in its way, but each demonstrating clearly her gifts as a writer.

Character studies are her forte, whether of a suburban woman in Bath pretending to be the widow of a major in India rather than a box-wallah; a free-thinking girl who dispenses sex as a mark of affection, regardless of the mayhem she leaves in her wake; or an All Souls television hippie who fails to live up to his own expectations.

Raymond is the don's name, an acid portrayal of an all too human figure of the kind thrown up so often during the late 1960s and early 1970s—although his comeuppance harks back to an Establishment scandal of an earlier generation. There is a great deal of wisdom in his portrait, a great deal of contemporary experience summed up in one slightly ridiculous figure. Barring a few false notes—the great niece of a lord going into service, two strangers in Tuscany establishing in one breath a mutual acquaintance in London—Isabel Colegate has produced an exemplary trio of stories, each carefully thought out and expertly stitched together.

So too has Ellen Gilchrist, whose *Victory Over Japan*, a collection of 14 short stories, won the American Book Award last year. Best to read them through to the end before wondering why, because her charms as a writer are not immediately apparent from the first few pieces, which deal with a well-delineated but unlovable small town American girl named Rhoda:

Rhoda was 14 years old that spring and her true love had been cruelly taken from her and she had started smoking because there was nothing left to do now but be a writer.

A little too cute, too self-conscious for all tastes, particularly as Rhoda dreams a lot, usually a bad sign in a work of fiction. The endings too are left fashionably in limbo, as if it would be positively a crime to tie up everything neatly in the final paragraph. Later though, the stories become much more likable, particularly those about Crystal, an utterly dreadful Southern matron, seen through the fond yet unblinking eyes of her black servant Traceleen.

Crystal is a spoiled, dramatic, impulsive woman, unfaithful to her moneybags second husband Manny, doting on the appalling son of her first marriage, who steals bicycles, smokes dope and lops the heads of hundreds of dollars' worth of roses at her wedding beano. She spends her time on the floor with a lover (she claims he was selling insurance), in brothels getting her eye blacked by a teenaged prostitute she has decided to save, sabotaging a wild boar hunt her brother has expensively staged for clients. She is an excellent creation, given to the world in racy, almost Runyonesque prose. Long may she flourish.

The 11 stories of A. L. Barker's *No Word of Love* come across as a trifle woolly by comparison, although some are certainly better than others. Sex plays a part in many of them, infidelity, the pinning of hopes on others, slices of life sliced sometimes so that it is not entirely clear what one is looking at.

The title story is among the best, the victim of a stroke confronted by the two women in his life, to neither of whom he can be a man any more. Or the middle aged woman who imagines she is about to have an affair with the friend of her teenaged son, only to have her fantasy abruptly and movingly deflated.

Elsewhere though, there is sometimes a sense of unreality, of laboured themes which don't always meet their mark, of conversations which would surely never take place in real life. But these are only sins of execution. The author's grasp of human frailty, as always, is sound enough.

John Mole's first novel *Sail or Return* is a pleasant romp through the fantasies of a suburban bank auditor who dreams of abandoning wife and children and setting sail for sunnier climes in the company of a gorgeous and not over-dressed native girl. Brother-in-law Nick and his glamorous girlfriend provide wish-fulfilment of a sort in a plot involving motor boats, gold coins and frenetic brushes with the law. An unrest cure for the quietly desperate central character, nicely staged, if a little strained in places.

Nicholas Best

Mexico way

SO FAR FROM GOD:
A JOURNEY TO CENTRAL AMERICA
by Patrick Marnham.
Jonathan Cape, £9.95, 253 pages

CENTRAL AMERICA is one of the world's most turbulent regions where, if President Ronald Reagan is to be believed, a decisive battle is taking place in the U.S.'s backyard between the forces of good (capitalism) and evil (Communism). "So close to the United States" is the rest of the title quotation. Washington's imposition of a trade embargo on Left-wing Nicaragua is the latest move in a dangerously escalating situation which could end in dispatching the U.S. marines.

One of the great strengths of Patrick Marnham's book describing his travels through Mexico, Guatemala, El Salvador and Nicaragua is that he has ignored the rhetoric on both sides and has no preconceived ideas of his own. He gives free rein to what he sees and hears and does not impose himself on the narrative.

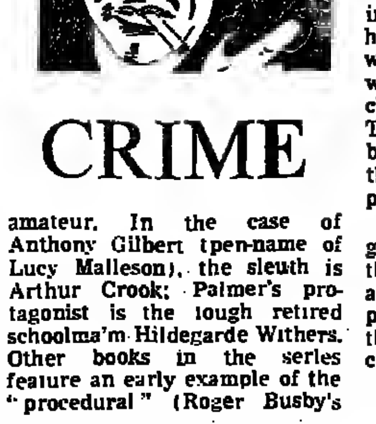
His book has a cast of people whom he met or heard about which would not be out of place in one of Gabriel Garcia Marquez's novels. There is the Guatemalan Interior Minister who kept stolen Mercedes in his garden; the exiled Salvadorean rebel working in Nicaragua appropriately as a gravedigger; the absent-minded English curator of reptiles in San Salvador zoo with crates already made to evacuate his snakes should the need arise and the woman working for the human rights bureau in the same city who shows her visitors gruesome photographs of mutilated bodies. It is usually the only means of identification for those searching for "disappeared" relatives.

Marnham travelled the bruising and dangerous way, by bus and train, and soon learned the cardinal rule—no *hay reglas fijas (there are no fixed rules)*. So he got into the old earthquake-destroyed basilica of Guadalupe cathedral, the most revered shrine in all Latin America, although it is out of bounds. The drunken guardian took him down and no bribe was paid.

This is an immensely enjoyable book, which is not to say that Marnham, like some of the ghoulish American reporters in El Salvador, finds enjoyment in Central America's agony.

He leaves the area concluding that the old Spanish colonial empire has been "overwhelmed by its own pagan and monstrous child," the U.S. Before taking a sledgehammer to crack a troublesome nut, President Reagan should read this book, or better make his first visit to the region.

William Chislett



CRIME

IS SHE DEAD TOO?
by Anthony Gilbert. Collins, £7.95, 212 pages
EXIT LAUGHING
by Stuart Palmer. Collins, £7.95, 156 pages

THESE TWO novels—both dating from the mid-1950s—have been reissued by the Collins Crime Club in a series entitled "The Disappearing Detectives," selected by H. R. F. Keating, who contributes introductions to the individual volumes (there are 12 in the series so far: but more reissues could surely ensue if this batch enjoys the success it deserves).

The Gilbert book is English; the Palmer, American; both feature a kind of detective who seems to be fading from the genre today: the eccentric amateur. In the case of Anthony Gilbert (pen-name of Lucy Malleson), the sleuth is Arthur Crook; Palmer's protagonist is the tough retired schoolma'm Hildegarde Withers. Other books in the series feature an early example of the "procedural" (Roger Busby's D.I. Leric) and of the exotic investigator (Joan Fleming's Nuri bey).

Anthony Gilbert, in the novel listed above, gives us a classic of village skulduggery, with an innocent girl ensnared in a web of evil. Palmer's novel has a Hollywood background (he was a successful script-writer), with a good deal of cigar-chomping and heavy drinking. The slightly dated aura of both books adds a period charm to their original merits of good pacing and clear writing.

Keating's introductions are gems in themselves, though they are too brief. They could also have been supplemented profitably by bibliographies of the detectives and authors concerned.

William Weaver

هكذا من الأصل

هكذا من الأصل

Publishing

Weidenfeld expands in New York grove

It is not the commodioua Chelsea Embankment flat, with his wall lengths of books presided over by Francis Bacon's portrait of a bishop: but Lord Weidenfeld looks comfortable enough in New York's Carlyle Hotel with stuffed chintz chairs in which he leans back, chomping on a cigar with his feet on the table.

Spending a week a month in America, he is building another literary empire which is expected to rival Weidenfeld's formidable presence in British book publishing. Three months ago he teamed up with a neighbour of 10 years' standing, friend Ann Getty, to purchase Grove Press for $2m. Grove is an independent house best known, in the 1960s, for contemporary authors like Henry Miller: an avant garde paperback quarterly, *Evergreen Review*; and some literary pornography past and present, including the Marquis de Sade and *The Story of O*.

Lord Weidenfeld's foray into publishing in America is not unique. Basil Blackwell is expanding its American presence with a trade list: Croom-Helm bought into the Massachusetts-based Auburn House, and International Thomson added the Gale Research reference books to its Van Nostrand Reinhold imprint.

But Lord Weidenfeld's ambitions hardly seem pegged to the value of the pound. Ann Getty has bought from Investors in Industry, the financial group owned by British banks, a 23.7 per cent minority stake in Weidenfeld and Nicolson in London. With Lord Waidenfeld as chairman and Mrs Getty as president, Wheatland Corporation (named after her Californian home town) has been set up for their American venture, with Mrs Getty the majority shareholder.

A week ago, on the heels of the American Booksellers Association convention in San Francisco (where Ann Getty held a reception to introduce her new partner to the assembled U.S. book world), Lord Weidenfeld announced the formation of Weidenfeld and Nicolson in New York. In three years, when fully operational, the New York imprint will publish 50 to 60 books a year, about a third of Weidenfeld's London house list. Grove Press, which is still being run by its founder, Barney Rosset, will double its list to 100 titles annually, and Lord Weidenfeld is in the market for one more publishing house to round out his American launch.

He sees the American imprint operating in ways similar to Random House, which has a stable of imprints, including Knopf and Pantheon, to attract a variety of authors, appealing to different kinds of reader. The Grove Presa list will continue to circulate among the *literati*, with Ann Getty's son Peter reviving the *Evergreen Review* as "a sort of nursery or jumping-off ground" for the publishing house. Weidenfeld and Nicolson in New York will mirror Weidenfeld's British mix of memoirs, current affairs and fiction, as well as a certain amount of literary criticism and translation. The third house can be expected to have "a complementary and specialised list of books."

Comparing British and American publishing, Lord Weidenfeld finds New York full of available editing talent. He has selected his top managerial team from major American publishers, an announcement is expected in the next four weeks. An exception to the all-American look is the subsidiary rights and publicity head, Juliet Nicolson, who will come from Britain bearing the family name of Lord Weidenfeld's former partner, Nigel Nicolson.

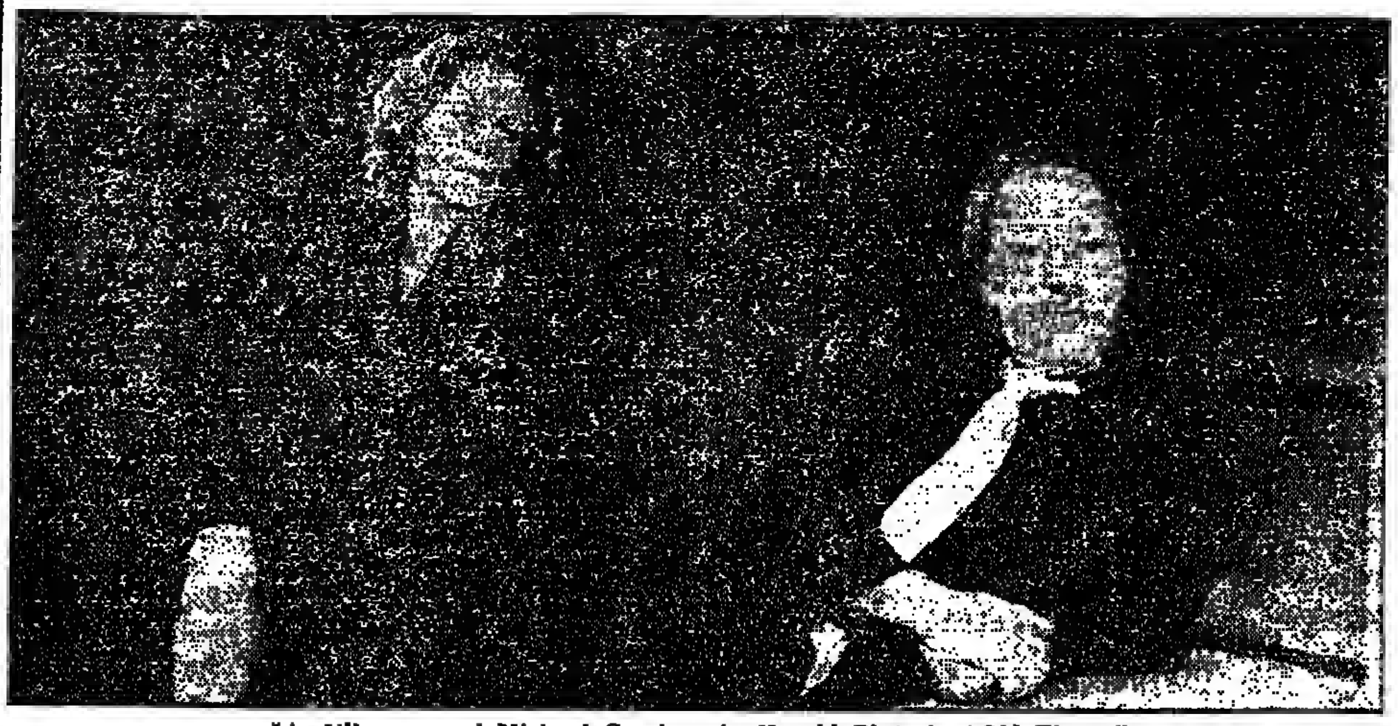
The first two years of the new house may see a number of titles brought over from Britain, but eventually the two houses will reflect what Lord Weidenfeld sees as the differences in American and British reading tastes.

At the same time as the Weidenfeld launch in New York, Wheatland Foundation is being established to run two or three seminars annually on important cultural topics like the future of opera, serious music and the theatre. Each will bring scholars together with philanthropists in an effort to foster practical support for the art.

British observers will recognise commercial ambitions in Weidenfeld and Nicolson's acquisition of an extensive juvenile book list; production of catalogues for museums, galleries and private galleries; and more trade paperbacks. In addition, there will be ventures in related fields, including television production and specialised magazines. Increased staffing may prevent Lord Weidenfeld from spreading himself too thin.

Frank Lipsius

Theatre



Liv Ullmann and Michael Gambon in Harold Pinter's "Old Times"

Pinter's mystery past

HAROLD PINTER was once asked what his work was "about." In order to frustrate the line of enquiry he replied flippantly, "The weasel under the cocktail cabinet." The remark, of course, has entered the critical language as the secondary literature piles up around the plays like rubble on an archaeological site.

Pinter, you feel, resents all this digging and is every ready to assert that his plays are really quite simple or at least as mysterious to him as they are to an audience. Throughout the 1950s Pinter was an actor who worked under the name of David Baron. In 1955, at the Colchester Rep, he played a man recently released from a mental asylum in Mary Hayley Bell's *The Uninvited Guest*. The local newspaper reported: "David Baron . . . fully exploits the mystery and strangeness of the part. It is a good idea to have him stand with his back to the audience while other characters question him."

In a fascinating new book*, David T. Thompson, an English teacher and keen amateur actor, relates Pinter's plays to the diet of English weekly rep on which David Baron fed after serving his apprenticeship with Anew McMaster in Ireland and Donald Wolfit in Hammersmith. An actors' agent had told him, "You'll never get anywhere as Harold Pinter," so he adopted the name of a character in an early unpublished novel. He killed off his other self in 1960, although Pinter the actor has surfaced on several occasions since. This week, in fact, negotiations have been under way in Los Angeles with a view to Pinter appearing there later this year in *Old Times*, along with Liv Ullman and Nicola Pagett from the current Haymarket revival.

Even Martin Esslin, in his standard critical appreciation, acknowledged that *Old Times*, Pinter's fourth full-length play, was written in an "accessible, commercially viable" idiom. So it has proved, with the 10-week Haymarket season (which ends on June 22) playing to 80 per cent capacity. Across town, *Other Places* is completing an 18 week season at the Duchess, playing to 70 per cent. As the producer, Duncan Weldon points out, 18 weeks means over 140 performances; a play at the National Theatre would have to be kept in the repertoire for two years before achieving a similar exposure to the public.

It is surely high time that Pinter was rescued from awe-struck audiences in the subsidised sector; Mr Thompson's book may go a little way towards achieving just that. *Old Times*, a dream-like terminatory idyll, develops the Proustian style of experiencing the present by re-inventing the past that Pinter embarked upon in *Landscape and Silence*. It also has elements of mystery and thriller that are part and parcel of our popular culture. In respect of *Old Times*, Mr Thompson invokes three plays in which David Baron appeared: Agatha Christie's *Witness for the Prosecution*, where a man and his wife give conflicting accounts of circumstances surrounding a murder of which the former is accused; Daphne du Maurier's *Rebecca*, which not only dwells on the mysterious death of the first Mrs de Winter but also sets out to ascertain the truth of the past in an eternal triangle theme; and Joan Morgan's *Doctor Jo*, about the impact of a visit paid to a country doctor and his wife by the wife's more adventurous sister who has become famous since failing herself to snare the doctor.

Mr Thompson does not suggest, in listing his dramatic analogies, that Pinter is consciously plundering other plays. He merely proposes that, in all his writing, Pinter draws upon and refines his theatrical experience. McMaster and Wolfit are seen in part as models for such studies in paternal autocracy as Max in *The Homecoming*; the black-out on the first act curtain in *No Man's Land* is a stylistic variation of the same effect in *Reluctant Heroes*. The jangling eeriness of *The Hothouse* could find a precedent in the surreal high-frequency humming in Anouilh's *Point of Departure*, in which "David Baron" played Orpheus in 1955.

What manner of actor was David Baron? Pinter says that he specialised in sinister parts. Policemen and strangers. The box office manager at the Palace Court, Bournemouth, where Pinter and his first wife Vivien Merchant led the company, tells Mr Thompson that David Baron, though striking and emotionally powerful, was inclined to detachment—"as though he were looking in on the whole thing." Rochester in *Jane Eyre* was counted "a characterisation of Samson strength" by the Bournemouth Daily Echo, and the romance and enigma of that role was immediately followed by a similar effort as Maxim de Winter.

Pinter has always seen himself as a traditional playwright in the sense that he writes for a proscenium stage and favours strong curtain lines and tableaux. He had from the start, he once told Richard Findlater, "a pretty good notion . . . of what would shut an audience up." His eminence as a director—his next collaboration is with Lauren Bacall in *Sweet Bird of Youth*—testifies to his thorough practical knowledge.

The book's appendix, a complete checklist of plays acted in by Pinter between 1949 and 1959, is one of the more useful recent contributions to Pinter scholarship. How refreshing to ponder the idea that the account of the staff massacre in *The Hothouse* may be read as Pinter's ironically encapsulated version of Agatha Christie's *Ten Little Niggers* in which he appeared at the Huddersfield Rep in 1954.

**Pinter: The Player's Playwright" by David T. Thompson, published this week by Macmillan, £22.50, 152 pages.*

Michael Coveney

Saleroom

Fair to genial

JUNE is the month when London is the undisputed centre of the international antiques trade. This week the fair at Olympia kept the dealers in the middle prices ranges busy, and next week at Grosvenor House the top end of the market flourishes its cheque books while at the Dorchester the International Ceramics Fair plays host to to lovers of pots from around the world.

Ceramics collectors have much to celebrate. This week the London auction houses revealed the strength of demand. At Christie's a Chelsea sauce boat of around 1753 was keenly sought by London dealers and finally went to R and J Jones for £14,040. Almost exactly ten years ago to the day it had fetched £1,680 at Christie's.

On Tuesday a previously unrecorded armorial goblet by William Beilby, the most celebrated British 18th century glassmaker, sold for £56,160 at Christie's, over twice the estimate and an auction record for 18th century British glass.

At the same time in New York, Sotheby's was selling a Jiajing wine jar and cover for $1.21m in a Chinese ceramics sale. If you ignore inflation and fluctuating exchange rates, its sterling equivalent of £930,769 would make it an auction record for any item of Chinese art.

Against such a backcloth it is hardly surprising that the organisers of the fair, the dealers Brian and Anna Haughton, should be feeling bullish. Doubtless some of the buying at auction was from dealers searching for scarce last-minute stock—and from private collectors keen to buy at the usually lower auction prices before being tempted by the displays at the fair.

Most collectors concentrate on one sector—English, or Continental, or Chinese, porcelain; and many on one aspect of the sector—Chelsea, or Meissen, or Ming. But the Fair does break down the barriers, most notably through the lectures which coincide with the four days of buying and selling.

Academics and experts will be imparting the latest research on such topics as "Persian response to Ming blue and white" and "Staffordshire ceramics of the 17th and 18th centuries." Traditionally collectors in one area drift in by chance to a seminar about a quite unrelated field and get hooked, although with the £5 tickets for some of the more sought-after lectures selling, apparently, for £20, there is less likelihood of a casual mental seduction this year.

Most sectors of the porcelain market are thriving. English items, which virtually marked time during the 1970s, at least for ceramic figures, are suddenly enjoying a revival not sparked off solely by Americans, but also underpinned by better British demand.

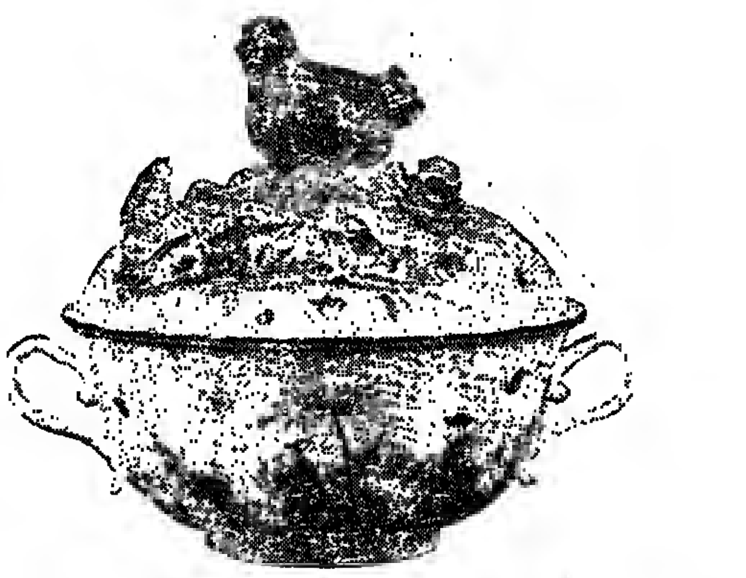
As well as the £14,000 Chelsea sauce boat a tiny Worcester wine funnel of 1755 sold for £12,960 (top forecast £8,000) and a pair of Bow figures of a lion and a lioness also surprised Christie's by selling for £9,180. At last, English porcelain seems to be carrying the same prestige as Continental. Here the running was made by Meissen, but in recent years French porcelain has been all the rage. According to dealer Kate Foster the only sector under - appreciated at the moment is 18th century Italian porcelain.

She is looking forward to the Dorchester Fair—"the atmosphere is one of complete geniality: museum people, dealers and collectors meet in a friendly atmosphere, unlike other fairs." The steady rise in value, for the quality pieces, undoubtedly spreads the feeling of goodwill. On her stand Kate Foster will be offering perhaps the most expensive item at the Fair—an eagle made in 1732 for the Japanese Palace in Dresden: it carries an £80,000 price tag.

The only difficult market at the moment is Chinese. As Sotheby's New York auction confirmed, there are no problems for top quality objects, but at the lower and middle price levels buyers have become disenchanted, especially as a flood of early Han and Song items has reached the West, some smuggled from China to Hong Kong to depress prices. Bluett is, however, confident that its most choice offerings, including an early 15th century plain white bowl, priced at £50,000, and a pair of rare white covered cups of the 10th century for £10,000, will find discerning buyers.

In all, 45 dealers will be selling at the Dorchester to about 7,500 collectors from all over the world. The Fair maintains London as the centre for the ceramics market. More to the point, by making the whole venture appear academic and intellectual, not only by the lectures but also by the inclusion of a loan exhibition (this time of continental porcelain held unseen in the British Museum reserve collection for over a century) it helps to convince collectors that they are not investing in antiques—they are exercising their aesthetic judgment in an artistically charged environment.

Antony Thorncroft



A Meissen Ecuelle and Cover, c. 1730-35

Records

No need for special pleading

BERG: THE PUBLISHED WORKS.
Various artists. Deutsche Grammophon 413 797-1 (10 records)

BERG: EARLY SONGS
Dietrich Fischer-Dieskau, Aribert Reimann. EMI 27 0195 1 (record or cassette)

BERG: VIOLIN CONCERTO, THREE ORCHESTRAL PIECES Op. 6
Gidon Kremer, Bavarian Radio Symphony/Colin Davis. Philips 412 523 1 (record, cassette and compact disc)

While the recording industry has lavished considerable energy on ensuring that the three great tercentenaries of 1985 are properly celebrated on record, the 100th anniversary of the birth of Alban Berg has so far attracted far less attention. Yet of the three composers of the Second Viennese School it is Berg whose reputation and significance continue to increase, and he is the one whosa music has finally become an established part of the repertory without any need of special pleading.

For those still to come to terms with Berg the Deutsche Grammophon compilation, largely from its back catalogue, provides a splendid, bargain-priced opportunity. It has been most handsomely packaged; with newly commissioned notes and individual sleeves for each of the discs suggesting that at some not-too-distant date each will be made available separately.

Many of the performances contained in the set have still to be equalled elsewhere. The La Salle Quartet's accounts of the String Quartet Op. 3 and the *Lyric Suite* demonstrate an assurance and identification with the composer which put them in a class apart: the textural miracles of the Berlin Philharmonic and Von Karajan in the Three Orchestral Pieces are still beyond the reach of mere mortal orchestras and conductors; Boulez's uncompromising treatment of the Chamber Concerto (with Barenboim and Zukerman as soloists) presents Berg's most problematic score as plainly as one could want.

All these, as well as Itzhak Perlman's fine-grained Violin Concerto (ably supported by Ozawa and the Boston orchestra), and Claudio Abbado's slightly soft-centred view of the *Altenberg Lieder* and the *Lulu* Symphonic Suite, have been available in the catalogue very recently. The two operas under Karl Böhm were urgently in need of reissue, and how good they still sound. This *Wozzeck* is, I think, the best available; certainly it is the most consistently sung, with Fischer-Dieskau a sophisticated Wozzeck (perhaps not quite supine enough) and Evelyn Lear a brittle Marie (though not drawing sympathy as effectively as, for instance, Anja Silja does with Dohnanyi).

Though Böhm conducts *Lulu* as persuasively as he does *Wozzeck* and Fischer-Dieskau's Dr Schön is a definitive performance, his version was recorded before Act 3 of the opera had been made available. In that sense DG's claim to comprehensive coverage is only technically correct: the study score of the complete *Lulu* is only due to be published later this year, but that version is now firmly established and the company has already issued Boulez's three-act recording with Teresa Stratas in the title role. Good though it is to have Böhm back again, that hour of Berg at the height of his creative powers which the third act contains is too good to miss.

Unfortunately the new material in the set is not quite up to the standard of the reissues. The version of *Der Wein* is the biggest disappointment — a boxy recording with an absurdly prominent piano, decidedly unmagical mezzo in Sabine Hass and routine orchestral playing from the Vienna Symphony under Rozhdestvensky. In the piano version of the *Seven Early Songs* Margret Marshall seems miscast and her intonation is by no means impeccable: in their orchestral form Kari Lövaas entirely overpowers what are delicate *lieder* given subtly coloured orchestrations to match.

These are small quibbles in the context of a magnificently rewarding collection. Even the single record of songs is redeemed by Fischer-Dieskau's 1971 performance of the Four Songs Op. 2, impeccably coloured and phrased, and which makes a nice link with his new EMI recording of a selection of Berg's unpublished songs.

Berg wrote over 70 songs before his official Op. 1, the Piano Sonata written under Schoenberg's supervision in 1907 and 1908. He later resurrected the group that was published as the *Seven Early Songs*, but the rest have been almost entirely neglected until now. Fischer-Dieskau has selected 22 songs, from the 1902 settings of "Sehnsucht" to poems by Heine and Hohenberg in which the influences of Wolf and Mahler are still pre-eminent, to the far more accomplished songs of his years of study with Schoenberg.

Some commentators have been hard on Berg's first attempts at composition, emphasising the huge strides he took under Schoenberg's guidance. Certainly there is not a great deal of individuality about the earliest songs included here, mostly just the intelligent apeing of carefully studied models, but Berg was only 17 when they were written and up to that point had had no formal musical training. If nothing else they give ample proof of his innate sensitivity to words; in a slightly later setting of a poem by Altenberg there is even a foretaste for his fondness for compressing a wide range of emotion into miniaturised formal scheme, which was to give his first mature scores such an individual flavour.

Fischer-Dieskau takes each song on its merits: there is no attempt to over-inflate any of them, or to underplay their weaknesses; while Reimann's accompaniments are supremely tactful. My only complaints with what is a fascinating issue are the lack of texts for any of the songs, and the adoption of a system of numbering by opus numbers which might have appealed to the adolescent Berg but which, with the existence of another set of numbers for his mature works, is merely confusing. Until someone catalogues all the early material, dates alone should be enough.

It is refreshing to find a new Violin Concerto which is coupled with more Berg rather than with one of the other great 20th-century violin concertos, particularly when that coupling is the first release of the Three Orchestral Pieces on compact disc. Kremer's is a lyrical, unrobust view of the concerto, perfectly natural and given excellent support by Colin Davis. In the Orchestral Pieces Davis presents convincing credentials to be counted as a true Bergian: his handling of the cross-rhythms with which they abound is particularly impressive. On CD the clarity is a great help in sorting out the more complex textures: if we are now in a digital era of expressively muscular Berg performances that will be no bad thing at all.

Andrew Clements

Radio

Give-and-take talk

Russell Harty's Musical Encounters (Saturday evenings on Radio 4) is a two-way *Desert Island Discs*, without the island conditions, or a *Down Your Way*, where your way is a BBC studio. Mr Harty and his guest swop musical items and chat about current affairs. Last Saturday the guest was Auberon Waugh, a man who dresses up agreeable opinions in an agreeably disagreeable way, but he didn't have anything important to say and his records (Sullivan, Weber, Mozart) were classical standards. A pleasant enough half-hour, though it is followed at once by much more spirited talk in *Stop The Week*, not an ideal arrangement.

I hope it is not meant to supplant *Desert Island Discs*. It is scheduled in the same slot on Saturday, but nothing can ever replace Roy Plomley's charm, courtesy and good humour, qualities not much sought after these days. Better to leave that old favourite to the nostalgia file. There was, as it chanced, another give-and-take record programme this week, heavily advertised in the Radio Times, Radio 1's *The Other Side of the Focis*, but it was only Paul Gambaccini and Tim Rice playing their pop choices to one another. I liked Phyllis Nelson singing "Don't stop the train," but the rest was just another pop programme.

The *Food Programme* is back in its proper place at 12.30 on Radio 4's Sunday mornings, and the foreign politicians have come to an end of their phoone-ins. This week Derek Cooper devoted his programme to rice, a more interesting comestible than some of us may believe. Political matters continue in the evenings, however, where Hugo Young presents the last piece of *The Thatcher Phenomenon* to-morrow. Last Sunday we heard foreign assessments of the Prime Minister from such overseas critics as President Machel of Madagascar and President Reagan of the U.S., and such homely voices as Carrington, Howe, Whitelaw, Healey. I longed for someone to launch some kind of a reasoned attack, but no one did.

Radio 4's new Sunday-evening thriller, XPD, is adapted from a novel by Len Deighton: its first instalment, out of eight, was action-packed, full of the brand of mock-politics and mock-Intelligence (which I spell with a capital I to distinguish it from its homonym) that go to making a good tale in this genre. We began in London, where the Prime Minister was alarmed to hear that someone was selling to a film-producer in Hollywood some awkward facts about the discovery, by the U.S. Army in a salt-mine at Kaiserode, of a cache of Hitler's treasures. So off to Hollywood, where death comes more easily and came at once at a sensitive point. The story cannot fail to be better than the serial just finished, about which I was polite enough to keep quiet.

Alan Melville's name recalls revue sketches from the revue age, and so, alas, did his *Squatters' Rights*, a 30-Minute Play on Tuesday. Philip and Amanda return from holiday to find two squatters in their house, nice middle - class squatters you could be friends with — the girl for Philip, the boy for Amanda. Then the squatters hear of a smarter squat and move on, and Philip and Amanda make friends again and look forward to a happy middle-age. But no — as if Mr Melville had been in a hurry to go out, he had the squatters return and ask for their squat again. Not worth putting Francis Matthews and Hannah Gordon in that.

No apology for coming back to Figaro, as indeed I probably shall do again next week. *One Mad Day* (Radio 3, Wednesday), which was Beaumarchais's subtitle for *The Marriage of Figaro*, was in its way as entertaining as *The Barber* last week, beautifully played with the same players, plus Alison Steadman as Suzannah and John McAndrew (not a girl, thank God) as the page.

It is less well-suited for radio, however, than *The Barber*, a simple romance of its time. There are countless incidents involving concealed characters in disguise which no amount of vocal prestidigitation can encompass. The garden scene at the end was so complicated that I am sure I should have misunderstood much of it if I hadn't known the play, and the opera (which follows it closely), already. All the same, it was great fun.

B. A. Young

New Don Jose at Glyndebourne

In the final three performances of *Carmen* at Glyndebourne Mario Malagnini will take over the role of Don Jose from Barry McCauley, who has another engagement. It will be Mr Malagnini's British debut.

'Personal Choice'

Personal Choice—a celebration of 20th century photographs, begins its Arts Council tour in Stoke-on-Trent on June 8.

Sport

Twilight of the grass court?

John Barrett, our tennis correspondent, reports on moves that could change the game for ever

SINCE TENNIS went open in 1968 the international game has enjoyed spectacular growth, so much so that in 1985 the two main circuits alone will provide $36m (£28m) in prize money and bonuses — $13m in the women's Virginia Slims World Championship series and $23m in the men's Nabisco Grand Prix.

One of the drawbacks of this success has been the squabble among tournaments for prime dates in the calendar. Already it is becoming necessary to stage two main events during the same week on separate continents — there are four such clashes this year and seven next — and at the end of this year the entire calendar will undergo major surgery in an effort to bring order to a situation that is becoming potentially chaotic.

As a result there will be no Australian Open in 1986. the fourth Grand Slam championship will move from a December date to one in January 1987 and will be played not on grass but on a new surface yet to be selected. But there will be two Nabisco Masters tournaments next year, one in January to end the 1985 season and another in December to end the 1986 Nabisco Grand Prix. This will become its permanent date. Eventually it is also proposed to end the women's Virginia Slims year in November or December instead of the present March date which is so difficult for anyone to understand.

Of all the changes the most fundamental to the evolution of the game is the decision of the Lawn Tennis Association to forsake grass after 18 years. Whatever new surface is chosen in Melbourne there will inevitably be mounting pressure on Wimbledon and the other runup tournaments in the three preceding weeks to consider a move from grass. At first sight, this is an unthinkable suggestion for the nation that invented the game — rather like proposing that the Derby should be run on cinders or that Lords should install matting wickets for test matches.

However, there are sound commercial, social and sporting reasons why such a move might make sense. It is in fact the short grass season that is partly responsible for the poor standards of play being found in Britain. The impressive A$60m (£31.5m) tennis centre being planned for Melbourne, will operate all the year round; besides staging prestige events like the Australian Open, Davis Cup ties, and the Federation Cup, it will also serve the entire tennis playing community of Victoria.

Commercialisation could be carried further. Imagine the benefits to British tennis if the centre court at Wimbledon (with a removable roof) were to stage concerts and boxing matches as well as tennis events. The income created would transform the state of tennis in Britain if it were used to assist local councils to erect permanent indoor tennis facilities in every town and city.

The Swedes have done just that. In their case, Bjorn Borg's success was the catalyst. As a result of demand for coaching opportunities a rash of building occurred so that now there are 1,400 permanent indoor courts in Sweden (200 of them in Stockholm) and some 400,000 tennis players, 125,000 of whom are registered with the national association. That is an impressive performance for a country with a total population of 8.6m.

Annual membership of a local club costs about £10 and secures advance booking rights. This has contributed towards the transformation of playing standards in Sweden. The country is the holder of the Davis Cup and has five men ranked in the top 18 in the world.

One imaginative local authority in Britain has already provided facilities on the Swedish model. Slough corporation's tennis centre at Salt Hill Park, which opened last September, houses three courts where Australia's former Wimbledon doubles champion Ken Fletcher, is the coach.

Membership fees and court charges similar to those in Sweden have created such a successful venture that keen players have been attracted from adjacent towns. The Lawn Tennis Association should use Slough as the model for a major expansion of inexpensive facilities throughout Britain.

Gabriela Sabatini of Argentina . . . at 15 her age could be held against her

The other major concern in international tennis at the moment concerns the mental and physical pressures young players face in attempting too much too soon. The International Tennis Federation will shortly publish the findings of a study group that has investigated the problem.

Some disturbing evidence has been presented. As a result, it is expected that players under the age of 16 will either be barred from entering professional tournaments or will be restricted to a small number of the lesser events each year.

Watching this week's French championships in Paris, where Argentina's Gabriela Sabatini, who is just 15, reached the semi-finals, I was conscious of the moral dilemma such a restriction would create. The world junior champion of 1984 is an unusually talented girl who has already competed in 11 tournaments since turning pro in January this year.

As a result of her Paris success she will raise her present ranking of 17 to around 10 or better. Clearly she can live at this level, as can the West German girl, Steffi Graf, who is ranked 14 in the world and turns 16 later this month. Would it be right to restrict the opportunities of girls like this?

For the sake of the dozens of girls and boys of lesser ability but who are pressured by their parents, I have no hesitation in saying it is. As Chris Lloyd said after she beat Miss Sabatini on Thursday: "*At present Gabriela is a wonderfully talented young player with no pressures on her. We shall not know how good she can be until we have seen how well she stands up to the pressures as she starts beating more people. That is what this game is all about.*"

It should be the batsmen's Ashes

THE THREE-MATCH Texaco Trophy, won by Australia, proved an enormous financial success, which provokes an obvious question—why did the TCCB not stage a five-match tournament, which would have provided two further sell-outs? In addition this would have allowed the fight for the Ashes to revert to a five-test series without loss of revenue, money being the only reason for staging that unnecessary sixth Test.

England were beaten 2-1 in the one-day internationals largely because our selectors do not acknowledge that the requirements for *limited-overs* cricket are not always the same as for Test cricket; they also wanted to remain loyal to our side who did so well in India last winter, but they did not fully take into account its complete failure in the Australian World Cup.

If this is not the case, it is difficult to understand *how* they could seriously believe that Messrs Botham, Cowans, Allott and Foster constitute the most containing seam quartet in the country, or that Peter Willey, for whom I have a very high regard as a cricketer, is the most effective "brake" slow bowler.

The outcome was that Australia twice scored more runs, not because they batted better but because their bowlers were more accurate than ours. At Lords the England victory was —as is so often the case in a one-day game—due to centuries by two high class batsmen, Graham Gooch (who must, along with Gordon Greenidge, be the finest opener in the world) and David Gower, who began to flow once more.

Will England regain the Ashes in the battle which starts at Headingley next Thursday? In my opinion the answer is yes, but if the pitches and the weather are good it will be a close, high scoring series, as neither side appears to have a formidable attack, while both have plenty of batting.

England's first six—Gooch, Robinson, Gower, Lamb, Gatting and Botham—almost picks itself (though I expect Robin Smith, another South African *eligible* for *selection*, to be seriously challenging for a place before the end of the summer). The probable sextet for Headingley not only possess a quality not seen in an England team for some time, but are capable of gathering runs at the pace, and in the quantity, to give the England bowlers both time and a substantial total to bowl against.

Australia, like England for the past three years, has been weakened by banning players who have decided to tour South Africa. Their batting, apart from Alan Border, who is not only enjoying a golden summer but is a world class player, does not appear to have as much quality as England's, but probably greater depth.

Conversely, their pace bowlers—Lawson, McDermott, and Thomson—appear to have more pace and penetration than the four England pacemen who performed in the one-day internationals, and who presumably will be retained. (I thought Agnew for Leicestershire looked more hostile than Allott, while Cowans experienced something of a nightmare against Worcestershire in the Benson and Hedges quarter-finals.)

If the conditions should favour our spin, England, with Edmonds and Emburey, are better equipped than their opponents, though I have a feeling that Willey will be chosen instead of the Middlesex offspinner, a defensive rather than an offensive move. Purely as a flat offbreak bowler who is not a big spinner, the perky Matthews from NSW is unlikely to make much impression and, like all slow leftarmers brought by Australia since the war, this also applies to Bennett.

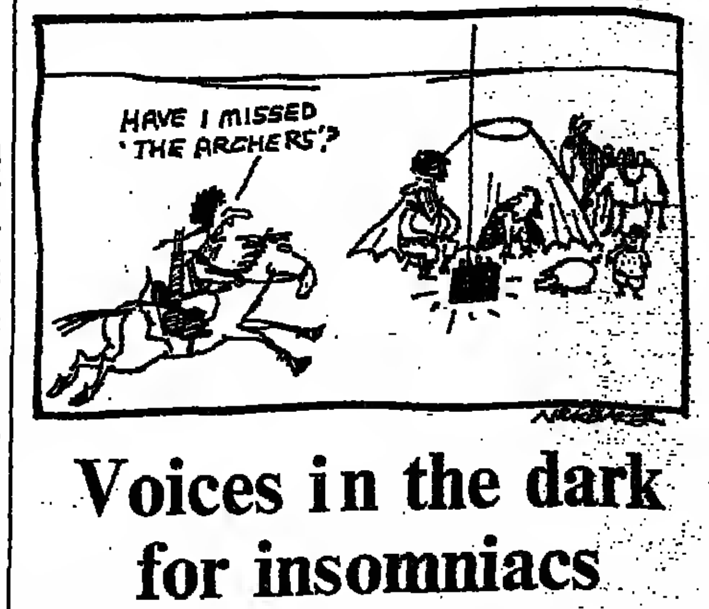
England have three big advantages over Alan Border's team, which is why I am backing them to regain the Ashes. First, they are potentially a better fielding side; this is unusual, and applies in particular to the close catching—good throwing and outfielding are an asset, but it is the half chances near the bat which decide Test matches.

Second, if the ball moves about, we should cope better than our visitors with the conditions to which we are accustomed.

Finally, there is the undisputed, and equally unpredictable genius of Ian Botham. It should not be forgotten *that it* was his batting, bowling and fielding which won the last series in this country, and, though his bowling is no longer as formidable, he is still quite capable of winning one, or even two Tests.

Trevor Bailey

Private view



Voices in the dark for insomniacs

WHATEVER happens to the BBC, there will always be the English-language services of Albania. Its shortwave frequencies, compared with published Kilo Hertz, tend to wobble around the dial, but there is no mistaking its signature tune: "First nine notes of national patriotic march, *With Pickaxe and Rifle*, played on two trumpets."

The IBA could close down its commercial radio station network overnight (and, you might add, to judge by the quality of some local programmes it might as well do so) but Radio Bangladesh will still put out its snippets in English, identifying itself by a jingle described only as "local composition for violin and tanpura." It accompanies this service with "slow speed news," presumably for the slow of hearing, or of comprehension.

The global ether, in fact, is jammed with voices from Radio Afghanistan, Radio Zimbabwe, and all points—geographically and alphabetically—in between. Details are not, of course, in *Radio Times*, but they are to be found in the close packed pages of the latest *World Radio TV Handbook* (Billboard, £17.95, distributed by Pitman Publishing).

"Travel the World with your ears," commands an advertisement it carries for the World Grabber receiver. Certainly the outpourings of the globe's transmitters are just a twiddle of a dial away. The *Handbook* is essential reading for listeners wanting to know the frequencies of the Cyprus Broadcasting Corporation, or the times of programmes on Radio Algiers.

Its revelation, to those who have never ventured into the radio Tower of Babel lurking in the shortwaves, is that practically every nation offers not only its own domestic service, but also transmissions aimed at the rest of the world.

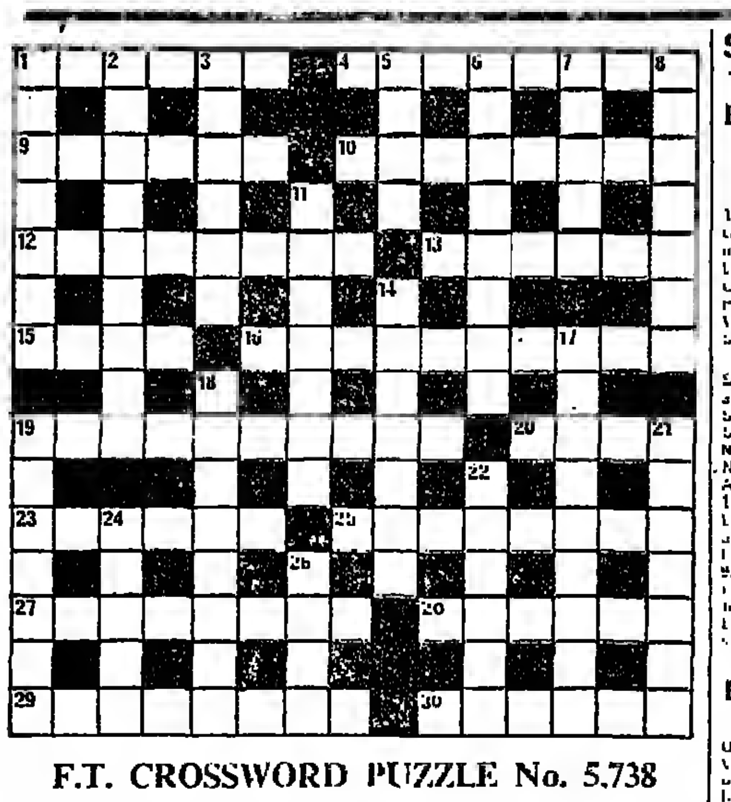
Brand leaders are the BBC's external services, Voice of *America*, and Radio *Moscow*. But almost every country larger than the Faroe Islands feels it necessary to address the ether in a number of languages, usually including a few minutes or more in English. (Whether we can pick it up in the UK is another matter; but the same complaint can be made of Radio 4 VHF in some parts of Britain.)

So we should be grateful to Radio Nepal (Call-sign "Yo Radio Nepal Ho," signature tune played on conch shell, violin and *jol torang*) for devoting its entire external transmission to an hour of English every morning. Even more so to a station bobbing up and down on a boat six miles from Tel Aviv. Voice of Peace runs to 24 hours in English, and appreciates letters from listeners, although shore leave may prevent its staff from writing back.

Radio Peking manages not only English but Esperanto, in which transmissions it is a world beater. Its call-sign is "First 19 notes of *The East is Red*, followed" — unless the listener is quick with the tuning knob—"by a complete orchestral rendering of same."

The international broadcasts are of interest to more than radio freaks. They are invaluable to insomniacs, too, occupying the mind through the early hours, then lulling it to sleep; a radio owner's salvation from nocturnal transmissions of Radio 2.

Jonathan Sale



F.T. CROSSWORD PUZZLE No. 5,738

Prizes of £10 each for the first five correct solutions opened. Solutions to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

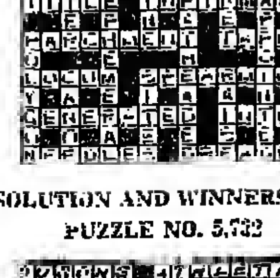
ACROSS

1 Call to sailor "Take over aircraft" (6)
4 Barefaced nationalist demagogy? (8)
9 Work out what comes of conker (6)
10 Panacea to face up to? (3, 2, 3)
12 Wyatt with whetstone, a personal receiver (8)
13, 15 Senior workman gets his cards after assault (6, 4)
16 Undermine expert in low joint? Don't hold with it (10)
19 Royal Court play? (4, 6)
20 Refrain for organ (4)
23 Uncommunicative source of advantage (6)
25 Kind of curl, if twisted, after me (8)
27 Poet and marshal, the Norfolk Pimpernel? (8)
28 Swear at tailless vat: it's a habit (6)
29, 30 Single girl in corn inspires poet's air rarely (Wordsworth) (8, 6)
21 River at Dorset resort (royalty in compound (7)
22 Scottish river visible from Liverpool (6)
24, 26 Only half a pint? It's of no consequence (5, 4)

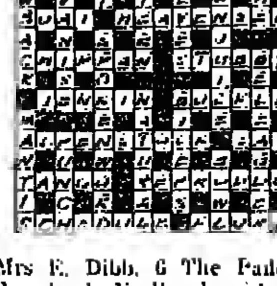
DOWN

1 Clear alteration in royal title for Welsh castle (7)
2 June starts with a major and a tropical tree (9)
3 Gardening aid with French ringer? (6)
5 Affected oath about love that's noisy (4)
6 Optimism at the Cape? (4, 4)
7 Change later? (5)
8 Flying machine with daring young pilot? (7)
11, 14 Funny men in train race find old salt (Coleridge) (7, 7)
17 Foot up — set scrum at odds? (3, 2, 4)
18 Sword raised between streets of biggest gradients (8)
19 Shape of Hamburgs without string, possibly (7)

SOLUTION TO PUZZLE No 5,727



SOLUTION AND WINNERS OF PUZZLE NO. 5,732



Mrs E. Dibb, 6 The Paddock, Swanland, N. Humberside.
Mr J. S. Barber, 9 Tyne Road, Oakham, Rutland, Leics.
Mr D. R. Harvey, Sandy Lodge, Churt, Farnham, Surrey.
Mr M. Conradi, 18 Moor Park Road, Northwood, Middlesex.
Mr T. Geffen, 2 Stonehill Close, London, S.W.14.

TELEVISION AND RADIO

SATURDAY

BBC 1

† Indicates programme in black and white

8.30 am The Saturday Picture Show. 10.55 "Run Wild, Run Free." 12.30 pm Grandstand including 12.50 News Summary, Rugby Union (New Zealand v England), Tennis (French Open Championships), Racing from Haydock Park, Golf (Dunhill British Masters), Water Skiing (KP Masters), and Final Score at 4.55.

5.05 News. 5.15 London—Sport, South-West England — Spotlight Sport and News, All other English regions—Sport and Regional News, Scotland—Sport, Wales—Sports News Wales, Northern Ireland—Northern Ireland News and Sport. 5.20 The New Adventures of Wonder Woman. 6.05 The Keith Harris Show. 6.40 "At the Earth's Core," starring Peter Cushing and Doug McClure. 8.10 The Kenny Everett Television Show. 8.40 Dynasty. 9.25 News and Sport. 9.40 World Featherweight Boxing Championship fight between Barry McGuigan and Eusebio Pedroza. 10.45 "Our Jake," starring Maureen O'Hara.

BBC 2

3.10 pm Saturday Cinema: "The Unguarded Moment," starring Esther Williams. 4.40 Golf (closing holes of the third round in The Dunhill British Masters). 6.20 The Sky At Night. 6.40 The Birdman of Jacksonville. 7.30 Chris de Burgh in Concert. 8.10 News and Sport. 8.25 Klemperer Conducts Beethoven. The Choral Symphony recorded at the Royal Albert Hall in 1964, chosen to mark the centenary of the birth of the German conductor Otto Klemperer. 9.40 Saturday Review. 10.40 Desecration. 11.35-12.20 am Golf (highlights).

LONDON

6.15 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Matt and Jenny on the Wilderness Trail. 10.00 No 73. 11.30 The Champions. 12.15 pm World of Sport including 12.20 Wrestling. 12.45 News followed by Australian pools check. 12.50 Basketball. 1.35 Racing from Epsom. 1.55 World Championship Boxing. 2.10 Racing from 2.25 Athletics 2.45 Racing from Epsom. 3.15 Schoolboy Soccer (England v Switzerland) 4.00 News Round-up. 4.10 Schoolboy soccer (continued). 4.55 Results.

5.05 News. 5.10 The Smurfs. 5.30 Connections. 6.00 The Saturday 6 O'Clock Show 6.50 The Comedians. 7.20 The Price is Right. 8.15 Hunter. 9.15 News and Sport. 9.30 Errol Flynn. "My Wicked, Wicked Ways" followed by London News Headlines 12.05 am Magnum. 12.55 Bizzaro. 1.30 Night Thoughts.

CHANNEL 4

1.00 pm Chips' Comic. 1.25 Listening Eye 11.55 "The Prisoner of Shark Island," starring Warner Baxter. 13.40 "Michael Shayne, Private Detective," starring Lloyd Nolan. 5.05 Brookside Omnibus 6.00 The Max Headroom Show 6.30 Babble. 7.00 News Summary followed by 7 Days. 7.30 Union World 8.00 Tales From a Long Room. 8.15 Sanne (with English subtitles). 8.45 My World and Welcome To It. 9.15 To Be a Yellowbelly . . . ? 10.00 Octopus — Power of the Mafia 11.15 The Late Clive James. †12.00 Naked City. 1.00 am The Paul Hogan Show.

S4C WALES

1.30 pm Farming on 4 2.00 A Question of Economics. 2.30 A Week in Politics. 3.15 An Inordinate Fondness for Beetles. 4.10 The Americans at War, followed by The Three Stooges. 6.10 The Medicine Men. 6.40 The Avengers. 7.35 Newyddion. 7.45 Chwachawd Rhyngtwladol Cymru. 8.25 Lisa, y' Odli a'r digri. 8.25 The Bright Side. 9.55 Lou Grant. †10.50 Feature Film: "The Talk of the Town," starring *Cary Grant, Jean Arthur and Ronald* Colman.

REGIONS

IBA Regions as London except at he following times:

ANGLIA

9.25 am Cartoon Time. 9.35 Captain Scarlet and the Mysterons 11.30 Chips. 5.10 pm Connections. 5.40 Cartoon Time. 5.50 Riptide. 12.00 Live at City Hall. 12.20 am At the End of the Day.

BORDER

9.25 am Cartoon Time. 9.35 Scooby Doo. 11.20 Chips 5.10 pm Film: "The 7th Voyage of Sinbad" starring Kerwin Mathews.

CENTRAL

9.25 am Cartoon Time. 9.35 Scooby Doo. 11.20 Chips. 5.10 pm The Saturday Action Film: "The 7th Voyage of Sinbad" starring Kerwin Mathews and Kathryn Gran.

CHANNEL

0.25 am Cartoon (Roger Ramjet). 9.30 Captain Scarlet and the Mysterons. 0.57 Puffin's Pla(i)ce. 11.20 Puffin's Pla(i)ce. 11.25 Tarzan. 12.14 Channel Islands Weather Summary. 5.10 The Saturday Film: "The 7th Voyage of Sinbad."

GRAMPIAN

9.25 am Cartoon. 9.30 Pretenders. 11.30 pm Cartoon 5.20 Connections. 5.50 Riptide. 12.00 Reflections.

GRANADA

0.25 am Cartoon. 9.35 Captain Scarlet and the Mysterons. 11.20 Chips. 5.10 pm "The 74th Voyage of Sinbad," starring Kerwin Matthews. 12.05 am Genesis in America. 1.00 Comedy Tonight.

HTV

9.25 *am* The Wonderful Stories of Professor Kitzel 9.30 Captain Scarlet and the Mysterons. 11.15 Fireball XL5 11.45 Just Our Luck. 12.13 pm HTV News. 5.10 "The 7th Voyage of Sinbad" starring Kerwin Mathews and Kathryn Grant. 12.05 am That's Hollywood.

SCOTTISH

9.25 am Cartoon Time. 9.30 The Pretenders. 11.2 Chips. 5.10 pm Connections. 15.40 Feature Film: "Secret *Tent*" *starring Donald* Gray, *Sonia* Dresdel, Jean Anderson and Andrew Cruickshank. 12.05 am Late Call.

TSW

5.25 am Cartoon. 8.30 Captain Scarlet and the *Mysterons*. 9.57 Gus Honeybun's Magic Birthdays. 11.20 Freeze Frame. 12.12 pm TSW Regional News. 5.10 TSW Regional News. 5.12 The Saturday Film: "The 7th Voyage Of Sinbad," starring Kerwin Matthews and Kathryn Grant. 12.05 am The Moviemakers. 12.40 *Postscript*.

TVS

8.25 am Porky Pig. 8.35 Scooby Doo. 11.20 The Green Hornet 11.45 Sealab 3020. 12.12 pm TVS Weather. 5.10 Connections. 5.40 The Wonderful Stories of Professor Kitzel. 5.50 Knight Rider. 12.05 am Freeze Frame. 12.35 Company.

TYNE TEES

9.25 am Morning Glory. 8.30 Scooby Doo. 9.55 Young Lookaround. 11.20 Chips. 5.10 pm "The 7th Voyage of Sinbad." 12.00 Post's Corner.

ULSTER

0.25 am Cartoon. 0.30 Scooby Doo. 11.20 Fireball XL5. 11.45 The Smurfs. 12.43 pm Lunchtime News. 5.08 Ulster News. 6.10 Feature Film: "The 7th Voyage of Sinbad," starring Kerwin Mathews and Kathryn Grant. 8.27 Ulster News. 12.00 Sports Results. 12.05 am News At Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast followed by Cartoon Time. 9.25 Scooby Doo. 11.20 Captain Scarlet and the Mysterons. 11.50 Joanie Loves Chachi. 5.10 pm "The 7th Voyage of Sinbad," starring Kerwin Mathews and Kathryn Grant. 12.00 That's Hollywood.

RADIO

BBC RADIO 2

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 12.30 pm Vince Hill's Solid Gold Music Show (S). 1.00 The Good Human Guide. 1.30 Sport On 2 including Rugby Union (2nd Test between New Zealand and England), Cycling (the Milk Race), Golf (Dunhill British Masters), Racing From Epsom, Tennis (French Championships). 5.45 Racing results, 5.50 Cricket scoreboard. 6.00 Folk On 2. 7.00 Three In A Row. 7.30 Cricket Scoreboard. BBC International Festival of Light Music (S). 8.45 Big Fight Special. 11.00 Steve Jones (S). 12.05 am Night Owls (S). 1.00 Hilary Osborn presents Nightride (S). 3.00-4.00 Wally Whyton presents Country Concert (S).

BBC RADIO 3

7.00 am News. 7.05 Aubade (S). 8.00 News. 8.05 Record Review (S). 10.16 Stereo Release (S). 11.10 BBC Symphony Orchestra in Madrid (S). 12.45 Interval Reading. 1.00 pm News. 1.05 Budapest Wind Ensemble (S). 2.00 Handel and Haydn (S). 3.25 Piano Recital (S). 4.00 Vaughan Williams and Stravinsky (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Music for the Iron Voice (S). 7.15 Bournemouth Symphony Orchestra (S). 8.00 Aldeburgh Festival 1985. Murray Perahia and the Vermeer String Quartet direct from the Snape Maltings, part 1: Mendelssohn, Berg (S). 8.46 A Portrait of John Drinkwater. 8.05 Aldeburgh Festival, part 2: Dvorak (S). 9.45 Junge Deutsche Philharmonie: Lutoslawski conducts music by himself and Bernd Alois Zimmermann (S). 10.30 The Song of Roland (S). 11.00 Gordon Jacob: Chamber music by the composer who died a year ago today (S). 11.57-12.00 News.

BBC RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 After Henry. 9.35 Great Liners. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent. 12.00 News. Money Box. 12.27 pm I'm Sorry I Haven't a Clue (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 The Afternoon Play (S). 3.05 Radio Active (S). 3.30 Explorers Extraordinary (S). 4.15 Enterprise. 4.45 Letters From a Mining Village. 5.00 Wildlife (S). 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News; Sports Round-up. 6.25 Russell Harty's Musical Encounters (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre: "The Deep Blue Sea," by Terence Rattigan (S). 9.58 Weather. 10.00 News. 10.15 Evening Service (S). 10.30 [illegible]. 11.00 Science Now. 11.30 The Cabinet Upstairs (S). 12.00-12.15 am News.

SUNDAY

BBC 1

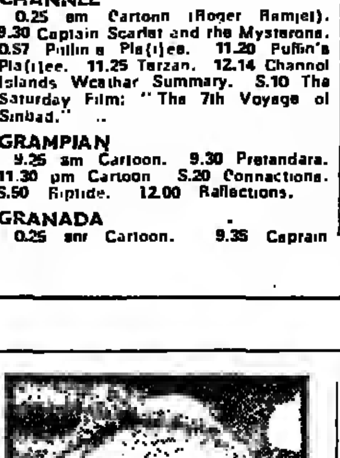
† Indicates programme in black and white

8.55 am Play School. 9.15 Superbook. 9.30 This Is The Day. 10.00 Asian Magazine. 10.30 Sixth Form. 10.55 Never Too Late. 11.20 Inside [illegible]. 11.45 Business Club. 12.10 pm Honourable Members. 12.35 Farming with Philip Wilson and Dan Cherrington. 12.58 Weather News for farmers. 1.00 News headlines 1.05 Bonanza. 1.50 Ashad the Gifted Amcer. 2.00 EastEnders 2.55 Tom and Jerry 14.10 Comedy Matinee "Private's Progress," starring Ian Carmichael Richard Attenborough and Dennis Price. 4.45 The Liverpool Rock Festival.

5.35 Goodbye Mr Chips 6.05 News. 6.15 Praise Be! 6.50 Football. Mexico v England. 9.00 News 9.15 That's Life 10.00 Heart of the Matter 10.35 The Fast Affect. 11.00 The Greeks Have A Word For It.

BBC 2

1.55 pm Sunday Grandstand including Golf from Woburn on The Dunhill British Masters, Tennis (the French Open Championships), Motor Racing (the Marlboro British Formula 3 Championship) plus the French Derby, and water skiing. 6.50 News Review. 7.15 Stuart Burrows Sings. 7.50 Debut. 8.20 The Dying Swan 8.50 Dance International. 9.00 "The Godfather," starring Marlon Brando and Al Pacino (Part 2 next Saturday). 11.50-12.35 am Golf (highlights)



Marlon Brando
BBC 2, 9 pm

LONDON

6.55 am TV-am Breakfast Programme 9.25 LWT Information. 9.30 Cool Cat 9.45 Porky Pig. 10.00 Morning Worship. 11.00 Link. 11.30 Working for a Better Life 12.00 Weekend World. 1.00 pm Police 5. 1.15 The Smurfs 1.30 Groovy Ghoulies. 2.00 A Full Life. 2.30 London News Headlines followed by Nobody Said It Was Easy. 3.30 Athletics 4.30 Pretenders. 5.00 Now You See It. 5.30 Simon and Simon. 6.30 News 6.40 Appeal. 6.45 Highway. 7.15 Winner Takes All. 7.45 Murder, She Wrote. 8.45 News 9.00 Connie. 10.00 Mog. 10.30 The South Bank Show 11.30 London News Headlines followed by American Documentary. 12.25 am Night Thoughts.

CHANNEL 4

1.05 pm Their Lordships' House. 1.30 Face the Press. 2.00 A Question of Economics. †2.25 "The Gaunt Stranger," starring Wilfrid Lawson 13.50 "Bermuda Mystery," starring Preston Foster. 5.00 Back to the Roots. 5.30 News Summary followed by The Business Programme. 6.15 The Mississippi 7.15 Heritage: Civilization and the Jews. 8.15 The Irish R.M. 9.15 Columbo †10.15 "Blanche Fury," starring Valerie Hobson and Stewart Granger.

S4C WALES

1.15 pm Lakeland Rock. 2.00 Gardeners' Calendar. 2.30 Sunday Opera: "La Forza Del Destino," starring Leontyne Price, and Guiseppe Giacomini. 5.30 The Business Programme 6.15 Heritage: Civilization and the Jews. 7.15 Ar Cankar Sath. 7.25 Newyddion. 7.30 Hutten A Mach Bach. 8.00 Pwy Sy'n Perthyn? 8.30 Er Gwaetha'r Gelyn. 9.15 Byd Cerdd. 10.10 Winston Churchill — the Wilderness Years. 11.10 The Late Clive James. 11.55 Seven Days. 12.25 am Their Lordships' House.

REGIONS

IBA Regions as London except at the following times:—

ANGLIA

8.30 am Survival 1.00 pm Mr Smith. 1.25 Weather Trends 1.30 Farming Diary. 5.30 Bygones. 5.00 Happy Days. 11.30 Scarecrow and Mrs King. 12.30 am Anthology.

BORDER

9.25 am Gardening Time. 8.55 Border Diary. 1.00 pm Perspective. 1.30 Farming Outlook. 5.00 Magnum.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel 9.30 Working For A Better Life. 11.30 Gardening Time. 1.00 pm Captain Scarlet. 1.30 The Adventurer. 5.30 Return Of The Saint. 11.30 The Streets of San Francisco.

CHANNEL

12.25 pm Today's Weather. 12.26 Starting Point. 12.30 Getting On. 1.00 Gardens For All 1.30 Under Fives. 5.30 The Fall Guy. 11.30 One For Your Video.

GRAMPIAN

9.25 am Cartoon. 9.30 Captain Scarlet. 10.00 Once Upon a Time . . . *Man* 10.30 *Personal View*. 1.00 *pm* Farming Outlook. 1.30 Survival. 5.30 Scarecrow and Mrs King 11.30 Harvest Jazz Compilation. 12.30 am Reflections.

GRANADA

9.25 am Miniature Chess Masterpieces. 9.30 The Human Face of Japan. 11.00 Working for a Better Life. 11.25 AAP KAA HAK. 11.30 This Is Your Right. 1.00 pm Battlestar Galactica. 5.00 The Love Boat. 6.00 The Zodiac Game. 11.30 "The Black Orchid" starring John Bentley.

HTV

9.25 am [illegible]: Fantastic Visions. 1.00 pm The Adventurer. 1.30 Farming Wales, followed by Weather for Farmers. 5.00 Definition. 5.30 Falcon Crest. 6.35 HTV News. 11.30 Looks Familiar.

SCOTTISH

0.25 am Cartoon Time. 9.30 Working For A Better Life 10.00 Sesame Street. 11.30 Profile. 1.00 pm Happy Days. 1.30 Farming Outlook. 2.00 Cloud Of Witnesses. 2.30 The Glen Michael Cavalcade. 3.15 World Famous Fairy-tales. 5.30 Nobody Said It Was Easy. 11.30 Late Call. 11.35 Mannix.

TSW

0.25 am Link followed by South West Link 11.25 Look and See. 11.30 The South West Week. 1.00 pm Gardens For All. 1.30 Farming News. 5.30 The Fall Guy. 11.30 The South West Week. 12.00 Postscript.

TVS

9.25 am Action Line 9.35 [illegible]. 1.00 pm Agenda. 1.30 Enterprise South. 2.30 Bomber. 5.30 Nobody Said It Was Easy. 6.25 TVS News 11.30 The Mysteries Of Edgar Wallace, 12.30 am Company.

TYNE TEES

9.25 am Morning Glory. 11.25 Lookaround. 11.30 Captain Scarlet and the Mysterons. 1.00 pm Farming Outlook. 1.30 The Smurfs. 5.00 [illegible] the Cellist Sums Up. 5.30 Magnum. 11-30 Epilogue.

ULSTER

12.58 pm Lunchtime News. 1.30 The Captain's Challenge. 1.30 Bygones. 1.58 Farming Weather. 5.30 The Love Boat. 6.28 Ulster News. 5.57 Ulster News. 11.30 Jazz Special (Stephane Grapelli). 11.55 Sports Results. 12.00 News at Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast followed by Link. 11.30 Farming Diary 1.00 pm Farming Weather. 1.00 pm The Champions. 5.00 The Zodiac Game. 5.30 Cisco. 11.30 Short Story Theatre. 12.00 Five Minutes.

RADIO

BBC RADIO 2

(S) = Stereo on VHF

7.30 am Roger Royle says Good Morning Sunday direct from the decks of a fishing boat in Whitby Harbour (S). 9.05 Melodies for You (S). 11.00 Desmond Carrington with your Radio 2 All-Time Greats (S). 1.00 Ray Moore Presents Two's Best (S). 2.00 Summer Sounds. 3.30 Charlie Chester with your Sunday Soapbox. 7.30 Cricket Scoreboard. 7.35 Glamorous Nights. 8.00 Soccer Special: Mexico and England. 11.00 Sunday Half Hour. 9.30 Your Hundred Best Tunes. 10.30 Songs from the Shows. 11.00 Sounds of Jazz. 1.00 am Hilary Osborn presents Nightride (S). 3.00-4.00 Ray Moore presents Two's Best (S).

BBC RADIO 3

7.00 am News. 7.05 Amadeus Quartet (S). 8.00 Bach Cantatas 174 (S). 8.30 French Music for Wind Instruments (S). 9.00 News 9.05 Your Concert Choice (S). 10.30 Music Weekly (S). 11.15 St Louis Symphony Orchestra (S). 12.20 pm Words 12.25 Christian Blackshaw piano recital (S). 1.20 Music from Venice (S) 2.40 Bach (S) 3.15 Gabrieli String Quartet (S) 4.10 Interval Reading). 4.20 Russian Church Music (S). 5.30 New Premises. 6.15 BBC Scottish Symphony Orchestra (S) (6.45 Interval Reading). 7.45 Autumn by Susan Hill (S). 8.15 "Die Gezeichneten" Opera by Franz Schreker sung in German in this Austrian Radio production for the EBU (S). 11.00 Kalichstein-Laredo-Robinson Trio (S). 11.57-12.00 News.

BBC RADIO 4

8.00 am News. 8.10 Sunday Papers. 8.15 Sunday. 8.50 Gloria Hunniford talks about Help the Handicapped Holiday Fund 8.55 Weather, Travel. 9.00 News. 9.10 Sunday Papers 9.15 Letter From America by Alistair Cooke. 9.30 Morning Service. 10.15 The Archers. 11.15 [illegible] Mr Handel (S) 12.00 [illegible] (S). 12.30 pm The Food Programme. 12.55 Weather. 1.00 The World This Weekend. 1.55 Shipping Forecast. 2.00 News; Gardeners' Question Time. 2.30 [illegible]. 4.00 News; [illegible] with Mike Chaney. 4.00 News; The First Cuckoo 4.30 Talk Of The Town, Talk Of The Country 5.00 News; Travel. 5.05 Tommy (profile of conductor Sir Thomas Beecham). 5.50 Shipping Forecast. 5.55 Weather. 6.00 News 6.15 Feedback 6.30 Bookshelf. 7.00 Travels [illegible] (S). 7.30 The Thatcher Phenomenon. 8.15 Incredible Flautists (Jean-Pierre Rampal) 8.30 A Word In Edgeways (S). 9.00 News; [illegible] And Sons by Ivy Compton-Burnett (S). 10.00 News. 10.15 Trams And Tramcar Enthusiasts (S). 11.00 How Blessed (S). 11.15 Inside Parliament with Noel Lewis. 12.00 News. 12.15 am News.

Chess solutions

1 R-QN3 (threat 2 B-Q5 ch), N-Q6 ch (or N-N5 ch; 2 PxN, PxR; 3 B-Q5); 2 NxN, PxR; 3 B-Q5 mate. If 1 . . . N-B6; 2 B-Q3, PxR; 3 BxN. Finally the main point: 1 . . . NxB; 2 R-N1, NxB; 3N-B3 mate.